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Daily Report
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IPA Agrees To Become Interstate Organization

LD1305143695 Moscow INTERFAX in English 1333 GMT 13 May 95

[FBIS Transcribed Text] ST PETERSBURG, May 13 (Interfax) — The Council of the Interparliamentary Assembly [IPA] of the Commonwealth of Independent States agreed to accept a draft convention which turns the Assembly into an interstate body.

For the time being, the Council of the Heads of State and the Council of the Heads of Government are the Commonwealth's two interstate bodies.

The draft convention was endorsed by the Council of the Commonwealth's Foreign Ministers on April 21 and submitted for consideration to the Council of the Heads of State which is to meet on May 26 in Belarus' capital Minsk.

Once it has been accepted by the heads of state, the convention will be submitted for ratification to the parliaments of the Commonwealth's member-nations.

The draft convention confirms rules for the election of the chairman of the Assembly Council. It says that one of the Council members shall be elected chairman by secret ballot for the term of one year. The draft also says, though, that the chairman cannot serve more than three consecutive terms in office. The man who currently chairs the Assembly Council, the speaker of the Russian Federation Council Vladimir Shumeyko, won his mandate last year's February and was reelected in February, 1995.

Unless the Assembly makes a different decision, each parliamentary delegation has one vote.

The Assembly Council met under the chairmanship of Vladimir Shumeyko Friday evening in St. Petersburg's Tavrichesky Palace. Delegations of Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia and Tajikistan attended the sitting. A delegation of Ukraine enjoyed the observer status.

The delegations arrived in St. Petersburg on May 13. Uzbekistan again failed to send a delegation.

Caspian Sea Conference Ends in Almaty 16 May

LD1705115795 Moscow ITAR-TASS in English 1128 GMT 17 May 95

[FBIS Transcribed Text] ALMATY, May 17 (Itar-Tass) — An international scientific practical conference "Legal Status of the Caspian Sea and Prospects for Cooperation among the Caspian States" ended in the Kazakh capital, Almaty, on Tuesday.

Although its participants from Kazakhstan, Russia, Azerbaijan, Iran and Turkmenistan did not adopt any ground-laying documents, all of them were unanimous in recognising that the forum marked a step forward to finding solutions to the problems which face the five countries neighbouring the Caspian Sea and having equal rights to its riches.

"During the Soviet era, the Caspian states had to pursue a decreed policy in the economic development of the region, including oil puduction, fishing and navigation," participants in the conference recalled.

"There was practically no friction or problems between the countries even though some of them felt hurt. Iran's rights, for example, were infringed upon after it signed a treaty with czarist Russia, and later again with the USSR in 1940.

"That is why it is now important to come to terms without making too many mistakes as concerns the development of the Caspian sea shelf.

"It is also essential to draw clear-cut lines demarcating economic zones and marine borders of each state in order to avoid possible friction in the future."

Later on Tuesday, the deputy foreign ministers of Kazakhstan, Russia, Azerbaijan and Iran told a new conference that an agreement had been reached to set up a group to prepare a meeting of the Caspian Foreign Ministers in the Turkmen capital, Ashkhabad, in September. Subsequent meetings will be held in Tehran and then in all concerned states.

ITAR-TASS Carries Press Review for 17 May

LD1705063295 Moscow ITAR-TASS in English 0545 GMT 17 May

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] Moscow, May 17 TASS — The NEZAVISIMAYA GAZETA newspaper front-pages today an article entitled "Russia's foreign policy should be presidential". The newspaper gives a detailed analysis of "reasons for and consequences of defeats suffered by Andrey Kozyrev's diplomacy".

According to the newspaper, reasons for setbacks of Russian diplomacy are diverse: these are absence of a clear-cut long-term foreign policy strategy, extreme non-professionalism in pursuing the foreign policy, last but not least, absence of a single federal coordination mechanism for drafting, taking and implementing foreign economic decisions.

In the newspaper's opinion, the Russian foreign policy is based on "a false platform", on "a platform of negation"

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of the former Soviet Union's international activities. Kozyrev's platform, the newspaper continues, is the result of muddling non-identical notions: political-value bearings and national interests.

Bearings overshadowed, in this case, interests, turning into an end in itself, while it was necessary to look for a reasonable balance between liberal-democratic ideas and invariable, geopolitically established interests of the country.

Who can now really aspire for the Russian presidency? The results of a poll among the readers of the KOMSOMOLSKAYA PRAVDA newspaper conducted in 15 regions of the country on an order from the daily by the "Status" sociological research centre, give a reply to this question.

It is clear from the poll that Grigoriy Yavlinskiy, leader of the Yabloko bloc, (15 percent) and Aleksandr Lebed, commander of the Russian army in the Dniester region, (10 percent) can be real contenders for the post.

All others (including the incumbent president — four percent) are lagging far behind. "People are tired of lies and phoney rhetoric. They are looking for 'wholehearted personalities' and see them in such opposite figures as Yavlinskiy and Lebed," the newspaper draws the conclusion.

Deputy speaker of the Federation Council (Russian parliament upper chamber) mulls over "the destiny of Russia" in the RABOCHAYA TRIBUNA newspaper. His article is entitled: "What destiny the Industrial Party offers to Russia".

He claims that sweeping changes took place in Russia over the past few years: the transition from ochlocracy, the rule of irresponsible crowds, to oligarchy, the rule of a few grabbing nobody's public riches and disregarding public and state interests, is nearing completion.

This transition has resulted in a tragic state of the present Russian society: the country squarely faces the real threat of losing a possibility to develop independently.

He believes that technocrats, a powerful segment of educated people united into the Industrial Party, can pool the country out of the deep crisis.

The ROSSIISKIYE VESTI newspaper again turns to the notorious living wage bill. The newspaper, close to the presidential quotars, believes that "the count will be made in quadrillions if a bill of the State Duma (Russian parliament lower house) on the living wage is signed" by the president.

The daily warns of a high price to be paid by the society if the bill comes into force. "To execute it, we shall run into rarely usable units of measurement in the form of quadrillion roubles."

The ROSSISKAYA GAZETA newspaper sums up the results of two stages of the programme of land privatization and reorganisation drafted for agricultural enterprises in the Nizhny Novgorod region. A total of 53 collective and state farms were reorganised, or 7.5 per cent from the total number of collective and state farms in the region.

They were used to establish 314 cooperative societies and farmsteads. The new enterprises confidently completed the past agricultural year, managed to preserve production facilities and avoided a sharp drop in production.

The IZVESTIYA newspaper comments on a version of a Tax Code which is being drafted by the Finance Ministry and which will help to reform the Russian tax system.

The newspaper claims that "Russian taxes were collected into a code. There will be more order and less taxes".

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Foreign Minister Holds News Conference 16 May

On Nuclear Reactor Sale to Iran

LD1605195095 Moscow INTERFAX in English 1842 GMT 16 May 95

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — Russian Foreign Minister Andrey Kozyrev doubts that the light-water nuclear reactors that Russia intends to supply to Iran can be used in the manufacture of nuclear weapons.

He told journalists in Interfax's Moscow headquarters that the same kind of reactors are to be supplied to North Korea as a tool to prevent the proliferation of nuclear weapons.

Kozyrev emphasized, however, that because the U.S., a major partner of Russia, expressed misgivings about the supply of the reactors, the Russian and U.S. Presidents Boris Yeltsin and Bill Clinton had made an optimal decision at their Moscow summit, to have the issue re-examined by the Gore-Chernomyrdin commission.

In Kozyrev's words, the Russian side is acting in a quiet partner-like way, as it gives heed to what the Americans have to say.

"This does not imply that we are prepared to agree with whatever they say, but why not talk," he explained.

He said that Moscow believes that "any danger or nuclear proliferation has to be eliminated. This does not apply to Iran alone."

Kozyrev warned against talking to Russia in a language of threats and said that threats of economic sanctions would be counterproductive.

Quotes Yeltsin on Black Sea Fleet

LD1605194295 Moscow INTERFAX in English 1842 GMT 16 May 95

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — President Yeltsin will not visit Ukraine as long as the Black Sea Fleet issue remains unsolved, Russian Foreign Minister Andrey Kozyrev told journalists at Interfax's central office in Moscow Tuesday.

Kozyrev said Yeltsin had presided over a two-hour meeting on Russian-Ukrainian relations in the Kremlin earlier this afternoon. "By definition, Russian-Ukrainian relations must be friendly. Our choice is the two countries' strategic partnership," he added.

According to Kozyrev, "The present situation when the Black Sea Fleet issue remains unsolved cannot satisfy Russia or Ukraine." "Once this issue is solved, the perspective of Russian-Ukrainian relations will be clarified," he stressed.

Kozyrev emphasized that the goal could be achieved only if all previously signed agreements were observed.

Kozyrev was positive about the referendum in Belarus whose citizens favored closer relations with Russia. "The people are always right," he remarked.

Kozyrev recalled that both Belarusian President Alyaksandr Lukashenka and Ukrainian President Leonid Kuchma had come to power campaigning for rapprochement with Russia.

Kozyrev made it clear that Russia was interested in making the trend, already typical for Belarus, characteristic for Ukraine, too.

On Support for Karabakh Settlement

LD1605164395 Moscow ITAR-TASS in English 1632 GMT 16 May 95

[By Yuriy Kozlov]

[FBIS Transcribed Text] MOSCOW, May 16 (Itar-Tass) — Russia is ready to support and continue efforts in peaceful Karabakh settlement, Russian Foreign Minister Andrey Kozyrev told heads of delegations of Armenia, Azerbaijan and Nagorno-Karabakh here today. The delegations have arrived in Moscow for a regular round of negotiations to coordinate a political agreement on termination of regional combat operations.

The minister hopes that this agreement will help to start final settlement of the conflict. He urged the need for further cease-fire as an important condition of negotiations. Kozyrev wished "insistency, creativity and purposefulness" to negotiations participants in their search for compromises and lasting peace and noted the constructive mediating efforts of Russia, other Commonwealth states, the United Nations and the OSCE [Organization for Security and Cooperation in Europe] which aim at political settlement of the problem.

In addition to delegation heads, the meeting with the Russian minister was attended by the co-chairmen of the OSCE Minsk group for Nagorno-Karabakh — Russia and Finland — and representatives of the CIS Executive Secretariat and the Interparliamentary Assembly which are observers to the negotiations.

The negotiations are held behind closed doors. Their participants make no comments to the press. The only thing that has become known is the date of negotiations end — May 18, and the plans for more talks in June. The time and place of further negotiations will be coordinated with participants in the negotiations and by the OSCE Minsk group. The latter will have a meeting in Moscow late this week to discuss the negotiations results.

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Welcomes Results of Belarus Referendum

LD1605174595 Moscow INTERFAX in English 1640 GMT 16 May 95

[From the "Diplomatic Panorama" feature: By diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — Russian Foreign Minister Andrey Kozyrev has welcomed the returns from last Sunday's referendum in Belarus.

"As Russia's Foreign Minister and State Duma member, I am glad about the wish of the Belarussian people to have wider contacts with Russia", Kozyrev told Interfax on Tuesday.

He said the results of the referendum were a good reason for business discussions at all levels, including the summit level when the CIS summit is held in Minsk.

Vladimir Lukin, chairman of the Russian State Duma Foreign Relations Committee and member of the Yabloko parliamentary group, said Tuesday in an interview with Interfax that he was "glad" about the outcome of the referendum in Belarus.

He said he was in favor of "the widest cooperation possible between Russia and Belarus."

"The Russian leaders have often said that they are ready to cooperate with CIS states within the limits defined by these states. It is important that do as they say and that, in spite of all the problems, including in the economic sphere, we understand that certain strategic crucial decisions are above all financial calculations."

Grigoriy Karasin, Russian Foreign Ministry spokesman, said at a briefing in Moscow Tuesday that the results of the referendum in Belarus created the necessary conditions for closer cooperation between Russia and Belarus.

The preliminary results show 83.1% of those who came to the polls voted in favor of giving Russian the status equal to one of Belorussian, and 82.4% approved of the policy aimed at economic integration with Russia.

Karasin stated "the results of the referendum prove that the citizens of Belarus approve of the course of our two nations toward further integration and comprehensive cooperation."

He said "it is difficult to overestimate the fact, taking into consideration that about 1.5 million Russians are living in Belarus."

Karasin Hosts Foreign Ministry News Briefing

Comments on Summit Results

LD1605154095 Moscow ITAR-TASS in English 1457 GMT 16 May 95

[By Valeriy Sevryukov]

[FBIS Transcribed Text] MOSCOW, May 16 (Itar-Tass) — The Moscow summit proved the increased ability of Russian and U.S. leaders to discuss their differences without prejudice, calmly and well-consideredly, as well as to boost their settlement with due account of national interests, international cooperation and security, head of the Russian Foreign Ministry's Information and Press Department Grigoriy Karasin told a briefing here today.

This ability was equally shown by the sides during the discussion of the NATO problem, peaceful uses of nuclear energy and conventional armed forces in Europe. The ability enabled bilateral statements which prove the efficiency of such an approach to acute problems. Karasin said they would like to warn against unjustified attempts to judge the summit results on a primitive formula of "winner-loser".

Moscow To Remember VE Day Attendees

LD1605175995 Moscow INTERFAX in English 1640 GMT 16 May 95

[From the "Diplomatic Panorama" feature: by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — Moscow "will undoubtedly remember", who arrived to celebrate the 50th Anniversary in World War II on May 9 and who did not, Grigoriy Karasin, official representative of the Russian Foreign Ministry told a briefing in Moscow Tuesday.

He said that "nobody can forbid Russian people and leadership from having a memory." "There are sacred things, which people will always remember for many years and even decades," he said.

At the same time, Karasin said that no "political and diplomatic" measures will be taken in this respect.

Poland Warned About Chechen Radio

LD1605173695 Moscow INTERFAX in English 1631 GMT 16 May 95

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — Russian Foreign Ministry official Grigoriy Karasin has voiced concern over plans to open the "Free Caucasus" radio station in Krakow, Poland. The station is

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going to be run by what is called a "Chechen information center," led by Dzhokhar Dudayev's representative in Poland, one Ampukayev.

Karasin said at a briefing in Moscow Monday that according to reports from Poland the radio station would broadcast in Russian, Chechen, Armenian, and Georgian.

Karasin said that Moscow could not but ask itself how its relations with Poland would be affected, if the radio station proved to be anti-Russian.

Karasin said the so-called Chechen information center based in Krakow has enjoyed the city authorities' support since the end of March and been conducting an active anti-Russian propaganda campaign and presenting a distorted picture of events in Chechnya and actions by federal authorities.

"Ampukayev and other Dudayev emissaries have been calling themselves Chechen diplomatic representatives," Karasin remarked.

He said that the Chechen center in Krakow had applied for registration and for radio frequencies, which required a decision by the authorities in Warsaw.

"Judging by a Polish Foreign Ministry statement, the Polish side is studying that question and has not issued any permission to begin broadcasting so far," Karasin said.

On Extending UN Observers in Georgia

LD1605171895 Moscow INTERFAX in English 1631 GMT 16 May 95

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — Moscow has welcomed a UN Security Council resolution to extend the mandate of UN observers in Georgia until January 12, 1996. A Foreign Ministry spokesman said Moscow expressed satisfaction with the Council's high assessment of the contribution made by CIS peacekeepers to stabilization in Abkhazia.

Grigoriy Karasin stressed that the resolution hails Russia's role in assisting UN-sponsored and OSCE-attended peace talks on a political settlement which provides for Georgia's sovereignty and integrity but for a federal structure there.

He said Moscow was supportive of the resolution's main thrust to speed up a peaceful solution to the conflict and support Russia's policy of a higher CIS peacemaking role with OSCE participation and close cooperation with the United Nation.

Karasin said the Russian representative in the Security Council expressed serious concern at the lack of progress in the negotiating process including the future of Abkhazia as well as the slowdown of repatriation of Georgian refugees caused by the Abkhaz authorities.

Foreign Ministry Statement Welcomes NPT Extension

MM1705115095 Moscow ROSSIYSKIYE VESTI in Russian 17 May 95 p 3

[Russian Foreign Ministry statement: "Nuclear Disarmament on a Firm Basis"]

[FBIS Translated Text] A decision on the indefinite extension of the Nuclear Weapon Nonproliferation Treaty was adopted by a consensus at the conference of states party to the treaty in New York 11 May.

The Russian Federation welcomes this unanimous decision, which is weighty confirmation that the Treaty reliably serves the common interests of ensuring international stability, nuclear disarmament, and the prevention of the nuclear threat.

As is well known, the Moscow summit approved the Joint Statement on the Nonproliferation of Nuclear Weapons.

The New York document united the most diverse states — large and small, nuclear and non-nuclear — on the basis of compromise in their determination to be guided by the norms of civilized conduct in our nuclear age which are embodied in the treaty. We are confident that an indefinite Treaty on the Nonproliferation of Nuclear Weapons will remain the principled basis of global and regional security.

The extended nonproliferation treaty improves the climate favorable to constantly expanding international cooperation in the sphere of the peaceful use of atomic energy.

The system of IAEA guarantees is being developed.

The Russian Federation will make every effort necessary to ensure the full-scale implementation of the whole range of accords approved by the conference.

Grachev Meets With PRC President 16 May

LD1605184895 Moscow ITAR-TASS in English 1826 GMT 16 May 95

[By Grigoriy Arslanov and Vyacheslav Tomilin]

[FBIS Transcribed Text] BEIJING, May 16 (Itar-Tass) — Chinese Chairman Jiang Zemin told visiting Russian Defence Minister Pavel Grachev here today China is looking forward for a visit of Russian President Boris Yeltsin scheduled for the second half of this year.

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After negotiations with Chinese Defence Minister Chi Haotian and deputy chairman of the Chinese Central Military Council Liu Huaqing this morning, the Russian official left on a trip around China. He arrived in Shanghai from Nanjing, and will leave Shanghai for south on Wednesday.

In the words of Jiang Zemin who warmly recalled his Moscow trip to attend celebrations of the 50th V-day, the Russian and Chinese peoples have a long history and culture, they are related by 4,000 kilometers of the common border. The two people can settle many problems with the help of friendship. New interstate relations have shaped up between China and Russia, said the Chinese leader. The two states do not oppose each other and do not unite in a bloc, it is a qualitatively new form of relations, said Jiang Zemin.

Speaking of the Chinese foreign policy, he said that China supports everything that helps peace and stability.

The Russian Defence Minister conveyed Yeltsin's greetings and gratitude to Jiang Zemin for his active participation in Moscow festivities on May 9. Grachev expressed the wish that the upcoming Chinese visit of the Russian leader be preceded by signing of a historic agreement on confidence-building measures in the border area between the armed forces of the two states. The defence departments of Russia and China successfully settle problems and try to reach a consensus in case of difficulties.

Moscow Mayor, Beijing Party Secretary Meet

LD1705114695 Moscow ITAR-TASS World Service in Russian 0340 GMT 17 May 95

[By ITAR-TASS correspondent Aleksandr Romanov]

[FBIS Translated Text] Beijing, 17 May — The capital of China is to continue to deepen the light against corruption, said Wei Jiangxing, secretary of Beijing Municipal CPC Committee, at a meeting with the visiting Moscow Mayor Yuriy Luzhkov. This is the first meeting with a foreign guest for Beijing's new party chief.

Wei Jiangxing became secretary of the capital's municipal party committee at the end of last month following the dismissal of his predecessor Chen Xitong, who was deemed responsible for corruption within the city leadership.

The municipal party secretary's meeting with the mayor of Moscow took place behind closed doors. However, ITAR-TASS was told today by officials accompanying Yuriy Luzhkov that Wei Jiangxing touched on the recent scandal over corruption within the top leadership in the municipality during their conversation, saying that the decision by the CPC Central Committee to remove Chen Xitong "had received wide support."

Our countries have been allies for 50 years and remain friends, the Moscow mayor said. At present, the governments of the capitals of the Russian Federation and the PRC have similar problems to resolve, relating to the reform of state enterprises and to the controlled and free market development of municipal services. Russia and China are rid of the centralized economy which stifled initiative, Yuriy Luzhkov emphasized, calling for cooperation to be developed not only in the economy but also on matters relating to maintaining stability in society.

General Staff Opposes 'Partnership for Peace'

MK1705102095 Moscow NEZAVISIMAYA GAZETA in Russian 17 May 95 p 1

[Report by Igor Korotchenko under the "Army" rubric: "General Staff Is in Doubt. Russian Military Reacts Suspiciously to NATO"]

[FBIS Translated Text] Boris Yeltsin's consent to join the "Partnership for Peace" program — as he claimed during U.S. President Bill Clinton's recent visit to Moscow — has evoked a negative response at the Russian Federation Armed Forces General Staff. They think there that this does not comply with Russia's national security interests — just like President Yeltsin's decision to start U.S.-Russian consultations on coordination of tactical and technical characteristics of theater missile defense systems (not falling under the ABM Treaty), which would enable Washington, as early as next year, to deploy mobile THAAD (Theater High Altitude Area Defense) complexes in the continental United States.

What is the reason for such a mistrustful attitude toward NATO and the marked rise in anti-U.S. sentiments at the top management level of the Russian Armed Forces? According to the General Staff's Main Operational Directorate (MOD) officers, there are good grounds for that: The armies of Poland, Hungary, the Czech Republic, and Slovakia have been increasingly involved in operational and combat training activities of NATO joint forces. Priority issues include the elaboration of operations plans in the initial period of war, which would allow to integrate the armed forces of these countries into NATO's military structures before they join it officially. There is a distinct trend toward a higher secrecy of general purpose of NATO joint forces' strategic command-and-staff training exercises and of changes in the concept of their combat use.

The armed forces of NATO are being switched over to a three-component structure, the core element of which

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will be rapid action and rapid deployment forces designed for operations outside NATO's zone of responsibility, to be created on the basis of the existing mobile forces as well as the most combat-efficient airborne, mechanized, and armored formations.

It is envisioned that, in case of a threat of Russian troops' invading the territory of the Baltic states for the protection of the Russian-speaking population's interests, five divisions will be transferred there (fully equipped in accordance with wartime conditions), which would be ready for immediate combat actions in the targeted operational area. With a further escalation of the conflict, it is planned to carry out a full-scale deployment of strike groups of NATO joint forces' first operational echelon (about 40 divisions in total) and to airlift reinforcement forces from the United States and Canada (23 more divisions, taking into consideration fully mobilized reduced formations of European NATO members).

Taking into consideration such a scenario of possible developments, General Staff officers believe that it is necessary to focus efforts not on participation in NATO-proposed programs, but on the creation of mighty groups of forces along the perimeter of the Russian Federation's western borders — even if this requires the revision of Moscow's quotas under the Conventional Forces in Europe Treaty. As for cooperation with NATO, the General Staff believes that this is possible only in case of the Russian Federation's full- bodied membership in this organization, with the right to veto any decision unsuitable for Russia.

UN Requests NATO Planes Stop Muslim Offensive

LD1605180095 Moscow ITAR-TASS in English 1735 GMT 16 May 95

[By Ivan Ivanov]

[FBIS Transcribed Text] BELGRADE, May 16 (Itar-Tass) — The command of U.N. peacekeeping forces asked the presence of NATO aircraft over Sarajevo with the aim of making Muslim troops stop their offensive started in the morning practically in all sections of the front near the Bosnian capital, press representative of the U.N. forces' Belgrade headquarters, Yuriy Chizhik, told Itar-Tass today. "At present NATO planes are in the air", he said.

According to Yuriy Chizhik, the presence of NATO planes does not mean that they will make air strikes on Muslims. Asked why the command of blue helmets did not ask NATO for the so-called "close air support" which meant rocket-bomb strikes at military positions of the side which violated the regime of the zone under the U.N. protection, the press representative said the government Muslim troops of Bosnia-Herzegovina were shelling Serbs from populated quarters of Sarajevo, as well as from areas located close to blue helmets' objects. In the event of missile and bomb strikes a direct threat to lives of the civilian population and the personnel of the U.N. forces could arise. Therefore it is difficult to expect that NATO aircraft will bombard Muslims, Yuriy Chizhik pointed out.

He informed that today at about 9 a.m. the Muslim troops fired four large-caliber mines at the Lukavica district near Sarajevo. Then at 9 a.m. they started an intensive artillery and mortar firing at the Serb positions practically in all lines of delimitation in the Bosnian capital.

The command of the U.N. forces in Bosnia-Herzegovina lodged a vigorous protest to Prime Minister Haris Silajdzic in connection with military operations by the Muslim side in Sarajevo, as well as because the Muslim troops were opening fire from residential areas and near by the U.N. objects which threatened security of civilians and the U.N. personnel, Yuriy Chizhik informed. According to him, this was the strongest protest of the United Nations against the Muslim side during three years of the Bosnian war.

He also informed that representatives of the command of international forces held a meeting today with the Bosnian Serb commander, general Ratko Mladic, who promised his guns would try to avoid hitting residential areas of Sarajevo.

Chubays, Kozyrev in Security Talks With Sweden

LD1605183295 Moscow ITAR-TASS in English 1734 GMT 16 May 95

[By Dmitriy Gorokhov]

[FBIS Translated Text] MOSCOW, May 16 (Itar-Tass) — Russian-Swedish meetings in Moscow revealed today the similarity of Russian and Swedish stands on creation of a comprehensive security model for Europe of the 21st century.

Swedish Minister for Assistance to Developing States and Cooperation with Central and Eastern Europe Pierre Schori has met First Russian Vice-Premier Anatoliy Chubays, Foreign Minister Andrey Kozyrev and his first deputy Igor Ivanov.

The negotiations built on results of a recent Russian visit of Swedish Prime Minister Ingvar Carlsson discussed key aspects of the European and world politics. When discussing the NATO problem, the interlocutors said that the evolution of that organization should not result in new division lines on the continent.

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They also focused on regional interaction. Sweden is chairing the regional organization of Barents sea states, and it will also become chairman of the Council of Baltic sea states on May 19 in Gdansk. Sources told Itar-Tass that the sides consider it important to coordinate efforts of the two organizations.

Schori was informed in detail about the Russian situation and cooperation in the Commonwealth. Stockholm is an active supporter of reforms done by its neighbors. The Russian North-West will one of the receivers of four billion kronor worth of aid from the Swedish government to be distributed between Central and East European nations within the next 3.5 years starting from July 1, 1995. The money will be used for development of cooperation.

Projects of bilateral partnership will be discussed by Pierre Schori with representatives of local administrations. The meetings will be held in St. Petersburg and Petrozavodsk, which the official will visit at the end of his five-day Russian trip.

Clinton Performance in Moscow, Kiev Evaluated

MM1605164095 Moscow RABOCHAYA TRIBUNA in Russian 16 May 95 pp 1,4

[Article by Yevgeniy Rusakov under the rubric "From the Viewpoint of Our Own Correspondent in New York": "Do We Have to Thank Mr. Clinton for Celebrating Victory Day With Us?"]

[FBIS Translated Text] New York — Russian-U.S. relations are gradually assuming the appearance of normalcy. The ostentatious "love" is being replaced by pragmatic partnership with the classic signs of rivalry between the two major powers. Not everyone finds this comprehensible or pleasant.

I found out about Bill Clinton's decision to go to Moscow when I was on Capitol Hill, where thanks to the USIA New York Foreign Press Center, a packed three-day briefing was organized for foreign journalists on the stance of Congress on the main problems of foreign and domestic policy.

Robert Dole, leader of the Senate majority and the Republican Party's leading contender for the presidential post, reacted to this decision with accusations against Bill Clinton — which have been an inalienable part of the Washington political scene for some time now — of conducting the Munich policy of "appeasing the neo-imperial ambitions" of Moscow. What is figuring here first and foremost is the operation to "reestablish constitutional order" in Chechnya. This is poisoning relations with the outside world, and generating an entirely comprehensible reaction of concern and condemnation in the United States, including on the part of the White House. In today's world, every country has the right to express its feelings to another country. But the "hawks," including the Republican leaders, are demanding more — economic and political sanctions, including the discontinuance of economic aid. This is the line beyond which interference in internal affairs begins. The Chechen and Russian culprits for the tragedy in Chechnya should have to answer to the peoples of Russia, and not to Washington or Paris.

The President's participation in the anniversary ceremonies generated discussion in the administration itself long before the war in Chechnya. So Bill Clinton could have gone to the ceremonies. And he could have not gone. In America his refusal would have been greeted as absolutely the correct decision by the majority.

In relations between the states, turning down an invitation to the anniversary of the Victory is an unpleasant but transient matter. But in relations between peoples such things are not forgiven or forgotten.

Rising above transient political battles and continuing disputes about the contribution of each of the allies to the common cause of the Victory, Bill Clinton personally made the only correct decision. No matter how relations between Clinton and Yeltsin, as well as between Moscow and Washington, develop in the future, I am convinced that the Russians and representatives of other CIS peoples will not forget that the U.S. President responded to the opportunity to pay tribute to the heroism and steadfastness of our mothers and fathers.

Many Americans started burying the present Russian-U.S. summit in advance. At the same time, the Republicans are clearly preparing the ground for crucifying the Democrat President in the event of antireformist forces coming to power as a result of the elections in Russia.

Robert Dole has already described the United States and Russia as rival powers with conflicting interests. Cooperation with Moscow is, in his opinion, "rapidly receding into the past." As regards new threats to the United States, he has put Russia — which has restored its strength and which may try to "fill the vacuum in Central Europe or rush abroad to take attention away from the separatist struggle within the country" — in first place.

"Does this not mean that in the understanding of certain Republicans, Russia is once again becoming the main enemy and that partnership must be given up?" I asked one very well-informed person in the Congress.

"The question is whether you should consider the glass to be three-fourths full or half empty. Dole believes that the glass is half empty or even two-thirds empty," he

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answered. "Some of Moscow's actions are generating hostility in Congress. That is why some people are campaigning for U.S.-Russian relations to be cooled down somewhat."

Following the shock of the crushing defeat at last year's elections to Congress, the Bill Clinton Administration has in the past few weeks finally recovered and is displaying previously unseen boldness in opposing attempts by Republicans to dictate the country's diplomatic line. I must repeat that Clinton's trip to Moscow is one manifestation of his new resolve.

"Have relations between the United States and Russia not deteriorated since the time of the latest summit in September of last year?" I asked Strobe Talbott, U.S. deputy secretary of state, not long before the present summit. "At that time there was talk of pragmatic partnership, whereas now the talk is of the end of the honeymoon..."

"Well, the metaphor of the honeymoon was used by your foreign minister," the main architect of the Russian sphere of Clinton's diplomacy, answered. "I have never believed that U.S.-Russian relations can be defined by matrimonial terms like love and marriage. They are of a far less romantic and more pragmatic nature. To my mind, the foundations of our new relations have been maintained, but we now find ourselves at a stage where very serious efforts are needed to try to divide our problems into three categories. There are issues on which our viewpoints coincide and we can collaborate. On other issues we have differing points of view at the moment, but we can reach agreement. Finally, there are issues on which we are not managing to reach agreement, and we have to find ways of coping with these differences so that they do not become exacerbated..."

Yes, last year, the two sides did not hide their differences and spoke of pragmatic partnership, that is, a sober approach which cannot bring our relations into total harmony. But the Clinton Administration has now found an even more cautious definition of the nature of relations between the two countries which was described as "friendship" a couple of years ago. They have gradually returned from "friendship" to the strategic partnership of Mikhail Gorbachev's times, and then — to pragmatic partnership. On the eve of the Moscow meeting, the administration was continuing to use the word "pragmatic," but was avoiding the word "partnership." This was replaced by an untranslatable English concept which has many meanings, including "having serious dealings with someone," and "engagement, betrothal." So if we are to use matrimonial similes all the same, then relations between Washington and Moscow have gone through the honeymoon period and have returned again to the stage of "betrothal" which testifies to certain good intentions on both sides, but avoids excessive obligations.

The diplomatic move in the shape of a second summit — in Kiev — speaks for itself. Bill Clinton went to Kiev not in order to give a lecture about the erroneousness of nationalism, like George Bush did. On the contrary, it was to establish that Ukraine's independence is right and geopolitically important, and also to support Leonid Kuchma's policy aimed at market reforms. Whereas emotionally speaking the Baltic countries are the trial balloon of Moscow's policy in the "near abroad" for the Americans, then geopolitically it is Ukraine that is increasingly assuming this role.

To my mind, the fact that both sides displayed a sense of moderation and unhurriedness in discussing their differences, particularly on the most acute issues — the expansion of NATO and Russia's sale of two nuclear reactors to Iran — is the big achievement of the Moscow summit.

Maybe one day it will be clear to every child that there is nothing reprehensible in the East Europeans joining a military alliance with the West. Maybe...

But even in 50 years' time, this attempt, which seems to the majority of Russians to be the creation of the latest "cordon sanitaire," will leave too many questions unanswered. Because before World War II there was already a cordon sanitaire in existence against Soviet Russia, and Poland played a primary role in it, while Hungary fought on the side of the Nazis almost to the very last day. Statements by Polish leaders to the effect that joining NATO is its own sovereign matter constitute diplomacy for the naive.

No matter what is the reasoning of the East Europeans, Americans, or Germans, the haste in admitting new members to the North Atlantic Alliance is geopolitically poorly thought out, and is psychologically insulting to Russia.

The Moscow summit has left the sides adhering to their own opinions, but it has laid the foundations for a possible compromise on this painful question, and on a possible new architecture for European security.

It essentially boils down to the fact that the problem of expanding NATO will be settled in parallel with the establishment of special relations between this alliance and Russia, which is worried about the military and political consequences of the military bloc's approach to its borders. Of course, everything will depend on the real implementation of this idea. To my mind, Russia as a great Eurasian and nuclear power does not need

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membership in NATO (and NATO particularly does not need Russia's presence), while the Organization for Security and Cooperation in Europe as a UN-type formation may be an important component of European security, but will scarcely form its basis. The decision to revive the question of Russia joining the "Partnership for Peace" program after a six-month gap is a step toward compromise on Moscow's part.

A compromise is being outlined on the question of the sale of Russian nuclear reactors to Iran too. The Russian president has adopted a decision to renounce the delivery to Tehran of a gas centrifuge which can produce weapons-grade fissile substances, and break off altogether the aspects of cooperation with Tehran which could be used for the purposes of making nuclear weapons.

The $800 million obtained not as a debt but for the sale of high-technology output, means a great deal to Russia, and, as far as the Ministry of Atomic Energy is concerned, this is almost a question of life and death. But the geopolitical aspects of the agreement with Iran must not be underestimated.

The problem is how to build relations with Tehran, how to convince it of the short-sightedness of attempts to obtain nuclear weapons. America has chosen the path of the complete isolation of Tehran and the declaration of Iran as an pariah country, the path of unilateral trade sanctions.

But whereas Washington can afford to rant and rave far away across the ocean, then Russia has a very restricted choice: Either to wage a preemptive war on Iran (without any particular grounds for doing so at the moment), or to get involved in what Washington calls "serious dealings," or a diplomatic "engagement." Because Tehran is no less, and probably a more influential force in a number of independent Transcaucasus and Central Asian states than is Washington.

Such is the reality. Or to be more precise, one aspect of it. No matter how right or wrong the Russians — or the Americans — may be about the expansion of NATO or the sale of a nuclear electric power station to Iran, the essence of diplomacy is contained in two things: to determine where the boundary is which the national security interests of each of the sides prohibit them from crossing, and where the sphere, if it exists, in which the sides are prepared to make mutual concessions — which, as has always been the case, will generate "just indignation" on the part of certain forces in both countries — is located. The responsibility of statesmen lies in doing this.

Clinton Silence on Russia in Kiev Explained

MM1705111995 Moscow PRAVDA in Russian 17 May 95 p 2

[Review of Ukraine life by Viktor Drozd: "The Flags Have Been Folded Away. The Memory Lives On"]

[FBIS Translated Excerpt] **Clinton Urged: Learn, Learn, Learn**

The tattered remnants of posters stuck on lampposts in the center of Kiev inviting people to come and meet Bill Clinton, plus the Kiev newspapers' gentle irony which has replaced the tumultuous rapture at the U.S. president's visit — maybe that is the only visible thing that remains following the brief state visit by the high-ranking guest from across the ocean. Demonstrating a dazzling smile and a relaxed lightness of politically well-judged language, the U.S. president was unstinting in his praise of Ukraine and its leadership, promised aid, and gave assurances of a readiness to march alongside Ukraine toward the market, urging students to "learn, learn, learn."

But another reasons why Kievans remember the American president's visit is that more than 20 city transport routes were changed to ensure that the important guest could leave unobstructed and tens of thousands city dwellers were loud and malicious in their comments about the servile Kiev authorities.

Another thing which did not escape observers' attention was that, in heaping praise on Ukrainians' exploits, Clinton slickly substituted "that conflict" for the Great Patriotic War and did not say a word about Russia, where he had just come from.

Maybe he was taking account of the mood on Capitol Hill, where there have been speeches about the need to "back off" from aid to Russia in favor of Ukraine and Kazakhstan and maybe, by gently taking Kiev in hand, move it a bit further away from Russia.

In brief, Bill Clinton's call to "learn" is topical in all respects. For both Kiev and Moscow alike. Especially since Clinton himself set a personal example of such learning, concluding his speech with "Glory to Ukraine!" in Ukrainian. [passage omitted]

Sell-Off of Lipetsk Industry to U.S. Banks Decried

MM1605134795 Moscow TRUD in Russian 16 May 95 p 2

[Article by Vladimir Gorodetskiy: "'Hello, We Are Your Bosses,' Lipetsk Metal Workers Told by Representatives of U.S. Firms"]

[FBIS Translated Excerpt] Lipetsk — [passage omitted] TRUD has already reported how First Vice Premier A.

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Chubays, the godfather of countrywide voucherization, gave orders for 17 percent of the shares in the gigantic Novolipetsk Metallurgical Combine to be sold to a certain U.S. broking firm without informing anyone about it. And at what price! Imagine, according to Chubays, one- sixth of the giant combine's complex equipment, buildings, and structures costs just $6 million. Later the state shares in the Novolipetsk Metallurgical Combine Joint-Stock Company were sold "on the sly" [na storonu] for an equally absurd price, As a result the U.S. First Boston and Morgan Grenfell Bank have become co-owners in the combine. [passage omitted]

Why did the authorities sell the United States the **state** block of shares in such an enterprise in haste and, effectively, in **secrecy** and, moreover, at a rock bottom price?

The day before the shareholders' meeting there was plenty of agitation at the Novolipetsk Metallurgical Combine. That is understandable — people have invested their savings in it and their future directly depends on the results of the Lipetsk Magnitka's financial and economic activity.

An audit confirmed the enterprise's reliability. Needless to say, shortcomings were inevitable but they do not overshadow what the metal workers have managed to accomplish.

The following episode occurred during the meeting. Adrian Boll [name as transliterated], the young, smart, businesslike head of Morgan Grenfell's Moscow office, went up to the rostrum. In excellent Russian he thanked the combine's leadership for their successful work and voiced a number of requests on behalf of the new foreign co-owner. You cannot call the requests modest if you consider that **none of the new surprise co-owners has invested a dime** in production development and renewal. Mr. Boll said that the new bosses "have no intention of agreeing" to the former method of managing the enterprise.

It turns out that these bosses have their own ideas on what to do with metal production and whether it pays to preserve it in its present form. A little later in a small auditorium mainly containing members of the board of directors and Russian metal industry leaders Mr. Boll explained: "We are all directors and bosses." Yet there were no elections at this shareholders meeting, they will only take place in a year's time.

S. Afonin, chairman of the Russian Federation Committee for Metallurgy, who has an excellent knowledge of the Lipetsk metallurgical industry, told me:

"I was recently in France and saw how they are privatizing metallurgical enterprises. At a leisurely pace, in a well-thought-out manner. And shares are sold not for their symbolic but for their true price. This has made it possible to avoid mistakes and avoid devaluing property that many generations have labored to create. And, needless to say, it molds in shareholders a sense of being the boss.

"'Chubaysization' would certainly not have worked there. Something that is developed successfully and produces profits running into many billions is held dear and valued. And I am sure that we should not scatter left and right something that is capable of helping Russia to escape from economic ruin."

Further on Shumeyko's Activities in London

Holds Talks With Major

LD1605162195 Moscow ITAR-TASS in English 1526 GMT 16 May 95

[By Vladimir Voronkov, Lyudmila Yermakova, and Vitaliy Makarchev]

[FBIS Transcribed Text] LONDON, May 16 (Itar-Tass) — Meetings of chairman of the Russian Federation Council Vladimir Shumeyko with British Prime Minister John Major and Secretary of State for Foreign and Commonwealth Affairs Douglas Hurd were held here today to discuss the law on elections of the Russian State Duma. This is the key aspect of Russian political life and everyone is interested in it, said Shumeyko when summing up the meetings' results.

Shumeyko is heading a Russian parliamentary delegation currently in Great Britain on an official visit.

The law shows the division of power between parties and high places, regions and Moscow, said Shumeyko. Bearing in mind Russian domestic and foreign policies are closely interrelated, all the conversations with the British side focused on the elections of the State Duma. The Russian foreign policy much depends on formation of Russian democracy and normal civil society, and the goals faced by the Russian state are closely watched by the whole world.

There is no area in which Russian and British interests are not involved, and Russia would like to have partner relations with Great Britain, said Shumeyko. However, this does not mean differences are excluded.

Sources at the Prime Minister's office told Itar-Tass that the meeting of John Major and Vladimir Shumeyko also discussed the expansion of NATO an the Russian stand on the issue. The sides focused on situation in Chechnya. The British Premier praised the Russian decision to coordinate its settlement measures via the

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OSCE [Organization for Security and Cooperation in Europe].

Urges Duma To Compromise

LD1605203895 Moscow INTERFAX in English 1842 GMT 16 May 95

[FBIS Transcribed Text] LONDON, May 16 (Interfax) — The chairman of the Federation Council, Russia's upper house, on Tuesday urged the State Duma, the lower house, to make an electoral compromise.

"The State Duma must make a compromise" and agree to a system where 300 seats in it are filled in single-mandate constituencies and only 150 on a party-list basis, instead of today's 225 to 225 ratio, Shumeyko told reporters in London after meeting Prime Minister John Major and Foreign Secretary Douglas Hurd.

Shumeyko called a law on the election of the Duma a draft of which is currently being debated by the lower house "central to the political life of Russia."

Having 300 members elected in single-mandate constituencies would be "beneficial for Russia" since fewer deputies would be elected in Moscow while the provinces would have wider representation, which is "very important for a house that passes laws."

"I think we'll find a compromise, and the State Duma, which will only go on a parliamentary vacation on July 15, will propose a new version of the law. The Federation Council will immediately approve it and the president will sign it," Shumeyko said.

He said Russia's internal political problems, including the forthcoming parliamentary and presidential elections, had been the main subject at his meetings with Major and Hurd.

"There is the realization in Great Britain that much in Russia's foreign policy depends on how democracy and civic society takes shape in Russia," Shumeyko said.

He said there would be "no legal consequences" if the passage of a law on the election of the Federation Council took longer than planned so that the next upper house could not be formed in December this year. "The mandate of the Federation Council deputies expires from the moment a new Federation Council is formed," he explained.

Chernomyrdin Quoted on Kazakh Talks, Ukraine

LD1605174295 Moscow ITAR-TASS World Service in Russian 1653 GMT 16 May 95

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Translated Text] Moscow, 16 May — Russia has more problems in its relations with Ukraine than with Kazakhstan, Russian Federation Prime Minister Viktor Chernomyrdin said after talks with his Kazakh counterpart Akezhan Kazhegeldinov today.

Speaking at a news conference after signing a Russian-Kazakh agreement on combining the management of customs services, Viktor Chernomyrdin recalled that "at one time the current president of Ukraine, Leonid Kuchma, while still prime minister, prevented Ukraine from joining a customs union agreement between Russia, Kazakhstan, and Belarus, claiming that Ukraine was about to join the treaty on common economic borders". However, the agreement on the customs union was later signed by three CIS members without Ukraine.

"We wanted Ukraine to join the customs union formed by Russia, Belarus, and Kazakhstan," the Russian prime minister said. That is our position, and this is necessary both for Ukraine and Russia.

Speaking about other problems in relations to Ukraine, Viktor Chernomyrdin singled out the unresolved issue of the Black Sea fleet and other aspects of the preparations for a broad-scale treaty on friendship and cooperation between the two countries.

Today, at their meeting in the Kremlin devoted to the preparation of the forthcoming meeting of the Council of CIS Heads of State and Government in Minsk, President Boris Yeltsin and Prime Minister Viktor Chernomyrdin discussed a whole range of issues relating to Russian-Ukrainian relations.

Plight of Russians in Turkmenistan Viewed

MM1705085395 Moscow IZVESTIYA in Russian 17 May 95 p 5

[Report by Vladimir Kuleshov: "Russians in Turkmenistan Still Believe Moscow Will Help Them..."]

[FBIS Translated Text] Ashgabat — The old man with the ribbons of military decorations on his crumpled, dirty jacket stood in front of me and sobbed.

"Just tell me one thing, and I'll be on my way," Yegor Ilich Kamenkov begged. "Are they treating me right or not? I can't get an answer anywhere. I've been all over the place. I sent a telegram to President Niyazov himself. They say nothing."

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The invalid and Great Patriotic War veteran had been thrown out of his privatized apartment right on the eve of the 50th anniversary of victory.

"We're originally from Orel, but after the Ashgabat earthquake my wife and I came to Turkmenistan to help the republic, which needed strong hands," I read in the old man's letter. "Our children grew up here. Here we have a pension and a nice apartment, which as a veteran I was fortunate enough to privatize. Everything would have been fine, but my daughter in Russia had an accident. I had to go there urgently. And when I got back my apartment was occupied by an officer in our Cheleken police. He actually had a permit for it, and he had put my stuff in storage. Now I have to spend the night with friends — first one gives me shelter, then another...."

At the Cheleken Gorispolkom [as published; City Soviet Executive Committee], when Yegor Ilich want there to find out what was going on, at first he was politely promised: Come back in a week, and we'll give you another apartment. He came back: "Give me back my own rightful apartment! There's not long before the victory holiday!..." "Stop rattling your medals, granddad," they retorted. "Turkmenistan had no need of your liberation — we weren't at war with Hitler. And we ourselves will decide who should have our housing...."

When the opportunity arises, people in Turkmenistan are quick to remind Russians yet again that they are by no means the most welcome people here. For instance, take the case of the recent "raid" on the Russian Embassy to Turkmenistan by the Turkmen Defense Ministry, which officially demanded in court that the staffers of the diplomatic mission vacate the privatized apartments they had purchased from citizens of Ashgabat. The embassy of a foreign power is a different proposition to old man Kamenkov from Cheleken, but the point of the attack on the diplomats was the same — we're in charge here, we're the ones best placed to know who should be given what housing. It never even occurred to anybody in the Defense Ministry that Russian diplomats cannot purchase housing in Ashgabat off their own bat, this requires permission at the highest level from President S. Niyazov. Permission, incidentally, which the embassy had duly obtained. Moreover, the city administration had adopted a special decision on the allocation of five apartments to the Russian Embassy....

Why has the Defense Ministry staged this outrage on the eve of S. Niyazov's visit to Moscow. At the Kopetdag court, which sent the summons to the Russian embassy staffers, I was told: "It was pointless for the Defense Ministry to stage this row. Once Niyazov learns of this, the instigators are going to be in trouble...."

He did not know, it was not reported, he was not informed. For instance, on what grounds, with the knowledge of the republic prosecutor's office, were the Russian militia officers from Makhachkala thrown out recently, escorted by staffers of the local organs, when they had been engaged in an investigation into the organized sale of stolen cars in Turkmenia? Within the framework, incidentally, of the Convention on Legal Support and Cooperation adopted by the Commonwealth states.

Conventions are all very well, but when the organs of power here found out that the Russian investigators had in their possession evidence of the involvement of certain government representatives in the sale of stolen cars outside Turkmenia, there was no longer any question of legal assistance — the Russian criminal investigations officers were promptly put on a ferry and dispatched to the other side of the Caspian.

True, there may be some individual cases that the president does not know about, but he ought to know about the general state of affairs, the state of bilateral relations. For instance, that the mechanism of the agreement with a number of CIS countries, including Russia, on social provision for pensioners coming here to live has been threatening to break down for a long time, barely functioning. People are aggrieved, and rightly, because no matter how long a person's working life was and how many years' service he put in, the pension they give him here is below the lowest limits. Is not that one of the reasons why fewer and fewer people are coming here? While those who are leaving this sunny region can hardly be counted. In just the past year more than 10,000 people have acquired the special "citizen of Russia" stamps in their passports. It may only be a slim thread, but it is some kind of link to Russia. And the majority of them live for just one thing. When will the states' commitments stemming from the 1993 agreement between the Russian Federation and Turkmenistan on regulating the process of resettlement and protecting the rights of emigrants begin to be implemented?

An emigrant — it is stressed, in particular, in the Turkmen- Russian agreement — has the right to sell all his real estate, to take away, if he so wishes, everything that he has, and without any customs duties or imposts, or if his apartment has not been privatized, the sides are obliged to help him with privatization and even sale for the sum he wants to receive. That is what it says in the documents that Presidents S. Niyazov and B. Yeltsin signed. Some 18 months ago.

And what do the future emigrants get today? I have in front of me a draft protocol "On the Mechanism for

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Implementation of the Agreement Between the Russian Federation and Turkmenistan on Regulation of the Resettlement Process and Protection of the Rights of Emigrants," submitted by the Turkmenistan Ministry of the Economy to the Federal Immigration Service of Russia. The draft totally rules out the possibility of the sale of property belonging to the emigrant, including privatized apartments, "to any organization or individual, irrespective of citizenship and form of ownership." That is, the proposed mechanism is blatantly contrary to the articles of the agreement, which enshrines the emigrant's right to sell his property "at his own discretion." It is not difficult to imagine that the draft of the agreement proposed by the Turkmen side pursues just one goal — that of forcing the emigrant to sell a privatized apartment through the local executive authorities at a price considerably below the actual value (which is already happening now in practice).

Nor could I find in the draft any clause on the right of emigrants to the privatization of housing space which they occupy in apartment blocks belonging to the state and public housing stock, irrespective of which department owns them.

"They are afraid of undermining the president's edict banning the sale and gift of privatized housing," it was explained to me at the Russian embassy. "One thing is known: The self-same Economy Minister V. Otchertsov, when he received our draft treaty on the procedure for implementing the commitments, gave the order to bring it into line with Niyazov's edict banning the sale of housing...."

But any international agreement takes priority over internal ones, if the same subject is being dealt with. If they have been signed, let me emphasize, by one and the same person. Surely V. Otchertsov, deputy chairman of the Cabinet of Ministers who is at the same time the minister of the economy and finance, must know that?

"Let them give me my apartment back," — I remember Yegor Ilich Kamenkov's words. "I will sell it to them and I won't stay here a single day longer. Although I used to think differently...."

It is not only old Kamenkov who is thinking like that today.

Inaction Over Turkmen Detention of Russian Decried

MM1605150295 Moscow IZVESTIYA in Russian 17 May 95 p 1

[Article by Vitaliy Ponomarev, staffer of the "Memorial" center for the protection of human rights: "Moscow Readies a Warm Welcome for the Turkmenbashi, Though the Republic's Special Services Have Been Detaining a Russian Citizen for Six Months Now"]

[FBIS Translated Text] According to the Russian Federation Foreign Ministry Press Service, an official delegation headed by President Saparmurad Niyazov of Turkmenistan is expected to visit Moscow 17-18 May. During the visit it is planned to sign 36 bilateral agreements on cooperation in various spheres. Against the backdrop of the preparation of speeches solemnly proclaiming "friendship and the development of good-neighborly ties" the Russian Federation Foreign Ministry apparatus is stubbornly trying to ignore the question of the fate of a Russian citizen who has been illegally held in a Turkmen state security detention center for six months now.

As the author was told by the arrestee's wife, on 26 October 1994 Khoshaly Garayev, a former Moscow police officer, flew to Tashkent with an acquaintance on business. A couple of days later he was picked up by Uzbek special services staffers who handcuffed him and deported him to Ashgabat without any explanation. The arrest warrant was drawn up only a week after Garayev had been taken to a Turkmen Ministry of National Security detention center.... Thus even during the first stage procedural rules were crudely violated, along with the Minsk convention "On Legal Aid and Legal Relations on Civil, Family, and Criminal Cases" signed by the CIS states.

In Turkmenistan's capital Garayev was accused of links with Turkmen opposition leaders living in Moscow, with whom he was allegedly planning to assassinate the president of Turkmenistan and the leaders of the power ministries, and also of extorting money from a Turkmen businessman with German citizenship. At the Turkmen side's request Russian law enforcement agencies carried out an appropriate investigation into both cases and found both charges to be absolutely baseless.

The biggest surprise in this whole affair is the more than passive stance of the Foreign Ministry and the Russian law enforcement agencies over defending the rights of a Russian citizen who has been literally kidnapped by a foreign intelligence agency.

According to the Russian Federation Embassy in Ashgabat, which is attempting so far as it can to deal with the problem, in the last six months it has not received a single instruction from the Russian Federation Foreign Ministry central apparatus regarding the case in question. Russia has still made no demand to Turkmenistan for extradition of the person under investigation, although, according to the Minsk convention, the investigation of the actions which Garayev is accused of

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is exclusively the responsibility of Russian Federation law enforcement agencies.

Sergey Nasinovskiy, a senior staffer of the Russian Federation Foreign Ministry, told me in a telephone conversation that certain unnamed "structures" do not deem it advisable to "move this affair into the mainstream of interstate relations." In Nasinovskiy's opinion, the Russian Federation Prosecutor's Office should deal with this case, but it is not showing any interest in it. Asked whether any representation has been made to the Uzbek side, whose special services illegally detained the Russian citizen and handed him over to the Turkmen authorities, Mr. Nasinovskiy stated that such a stance "would also cause a quarrel between us and Uzbekistan."

It is obvious that, in order to avoid quarreling with a "friendly country," the Russian Federation Foreign Ministry is turning a blind eye to the blatant violations of the Russian's citizen's rights and to the fact that the passivity of Russian state structures may result in sentence of death being passed on Garayev.

The Garayev case is exceptionally important not only in itself, but also as a precedent in internal legal relations between CIS states. As events of recent years have shown, persons residing on Russian territory (Russian Federation citizens, political refugees, and others) increasingly often find themselves the targets of illegal operations by the special services of countries of the "near abroad."

Meanwhile official relations with Turkmenistan remain "cloudless and clear." Nothing must overshadow the planned visit to Moscow by the Turkmenbashi ("leader of the Turkmens"). Government functionaries in Moscow see the Garayev case as too trivial to warrant a further reminder to the Turkmen leadership.

Ministry Official on Abkhazia's 'Intractability'

MM1705113595 Moscow IZVESTIYA in Russian 17 May 95 p 3

[Interview with Boris Pastukhov, Russian deputy minister of foreign affairs, by unidentified correspondent; place, date not given: "Sukhumi's Intractability Irritates Moscow"]

[FBIS Translated Text] [IZVESTIYA] What is Russia seeking in the Georgian-Abkhaz conflict? It is accused of prejudice now by one side, now by the other.

[Pastukhov] Russia proceeds from the need to observe Georgia's territorial integrity while fully ensuring the interests of Abkhazia's multinational population. Russia favors a full-scale settlement of the Georgian-Abkhaz conflict by peaceful political means.

We have a vital interest in the elimination of the conflict, which has destabilized the situation both in the Transcaucasus and in the North Caucasus. It was in Abkhazia that the Chechen gunmen gained their first combat experience. Weapons and drugs started to spread throughout the region.

[IZVESTIYA] What are the positions of the sides in the conflict now? If, as you maintain, talks have yet to achieved any success, who is to blame for that?

[Pastukhov] At first the problem with the Georgian side boiled down to overcoming the view of Georgia as a unitary state — a view that had taken root in the times of Gamsakhurdia. Our neighbors, who are working actively on the draft of a new constitution, are being increasingly persuaded — not without Russian mediation efforts — in favor of a federative system for the Georgian state. Within the framework of that state very broad rights must be assigned to Abkhazia and the other members of the federation. The unified state will have a unified federal legislative organ. But all its decisions concerning Abkhazia will be adopted only with the consent of Abkhaz deputies.

[IZVESTIYA] What was Sukhumi's reaction?

[Pastukhov] For the Abkhaz representatives a unified state means a confederative association of the Republic of Georgia and the Republic of Abkhazia acting as independent states with equal rights.

But with this approach there can be no question of any territorial integrity of the state within the borders of the former Georgian SSR [Soviet Socialist Republic]. Neither Russia nor the United Nations, which advocate unconditional observance of this fundamental principle for the international community, can agree to this.

[IZVESTIYA] Why is Abkhazia taking such a tough stand?

[Pastukhov] Above all this is probably a development of sentiment about the military victory at Sukhumi. But, as the saying goes, winning a war does not always mean gaining a stable peace.

At the level of legal arguments a whole series of grounds are cited which do not stand up to expert analysis. In November 1994 the parliament of the Republic of Abkhazia adopted a new constitution which proclaimed Abkhazia a sovereign state and a subject of international law.

In 1991 a total of 65 deputies were elected to Abkhazia's Supreme Council (26 were Georgians, who make up 45 percent of the population, and 28 were Abkhazians, who make up 18 percent of the population — such was the,

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quite frankly, unusual law on elections). As a result of the military conflict the Georgian deputies and a number of others left or were expelled from Abkhazia. A proclamation of independence with secession from a state recognized by the international community cannot, from the viewpoint of international law, be determined merely by the votes of 30-40 parliamentarians, with all due respect to them.

[IZVESTIYA] Sukhumi says that nothing now links Georgia and Abkhazia from the legal viewpoint. And that the international community recognizes this reality.

[Pastukhov] That is not so. Numerous UN Security Council resolutions on the situation in Georgia unconditionally confirm Georgia's territorial integrity, while Abkhazia is regarded as part of Georgia. The principle of Georgia's territorial integrity within the borders as of 21 December 1991 was the basis of the actual talks on a settlement.

The claims that state-legal relations with Abkhazia were interrupted by the Georgian act of parliament which in 1991 abolished the 1978 Georgian SSR Constitution and reinstated the 1921 constitution do not stand up to criticism either. Article 107 of the 1921 constitution recognizes Abkhazia (Sukhumi Oblast) as an inseparable part of Georgia, granted autonomy in local affairs.

Finally, the Russian Federation and other states, in proclaiming their recognition of the independence of the Republic of Georgia, had in mind the state within the borders as of 21 December 1991, as did the United Nations on admitting the republic to the organization.

[IZVESTIYA] Abkhazians believe that they were unjustly denied the right to self-determination. Why were the Slovaks, Croats, and Slovenes able to realize that right?

[Pastukhov] The Declaration on the Principles of International Law, adopted by the United Nations in 1970, and the 1975 Final Act of the CSCE point out that every people has the right to freely determine its own political status. But the unilateral secession of part of a state is unacceptable. A state's recognized borders can be changed by peaceful means and by agreement only after the free expression of the entire population's will under impartial international observation.

It was in this way that Czechoslovakia was divided into two independent states, while five states emerged on the territory of the former Yugoslavia, and the lack of accords on Bosnia and Herzegovina is complicating the resolution of the problems that arose there.

The Russian intermediaries believed and believe now that the people of Abkhazia have the right to defend their statehood, which took shape long ago. But this can happen only on the basis of international law.

[IZVESTIYA] What is the situation with regard to refugees from Abkhazia?

[Pastukhov] Tens of thousands of people who took no part in combat operations were made homeless. For more than a year they have been waiting in vain to return to their homes. This despite the quadripartite agreement on the voluntary return of refugees and displaced persons, which was signed 4 April 1994. The Abkhaz representatives are delaying the resolution of the refugee issue on various pretexts. As a result, to date only approximately 300 people have returned to Galskiy Rayon in an organized manner.

A full-scale settlement of the Georgian-Abkhaz conflict is impossible without resolving the refugee problem.

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Political Issues

Yeltsin, Chernomyrdin Discuss Clinton Visit

LD1605182995 Moscow INTERFAX in English 1743 GMT 16 May 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Russian President Boris Yeltsin and Prime Minister Viktor Chernomyrdin have met in the Kremlin.

The presidential press service has said they reviewed the results of 50th Victory anniversary celebrations. "President Yeltsin spoke highly of their organization in Moscow and other Russian cities", the press-service said.

Yeltsin and Chernomyrdin analyzed the results of negotiations with the US President Bill Clinton and discussed economic and personnel policies.

Chernomyrdin briefed Yeltsin on the constituent congress of the national socio-political movement Russia Is Our Home.

Yeltsin To Amend, Sign Election Law

MK1705094095 Moscow KOMMERSANT-DAILY in Russian 17 May 95 p 1

[Report by Veronica Kutsyllo under the "Situation Over" rubric: "Election Law To Live, But It Will Live a Different Life"]

[FBIS Translated Text] All top Russian officials appear to have decided to try their luck in implementing the adage "might is right" better and faster than others. Competition was opened by Constitutional Court Chairman Vladimir Tumanov, who refused to consider the president's "secret" Chechnya edict (although the Law on the Constitutional Court does not contain any ban on secrecy, but on the contrary, envisions closed-door court meetings for such occasions). Next in line was Ivan Rybkin, who suggested — with the semi-private blessing of that same Tumanov — that the term "political offices" be included in legislation. Yesterday, political analysts, too, had to join in the fray.

The Kremlin liberals, who had promised that Yeltsin would sign the bill on elections for the State Duma into law, spent all morning in search of the mildest possible way of disavowing Sergey Medvedev's statement about "revising" the draft law. After 1600 Satarov and Krasnov finally managed to refute a classic [Aleksandr Pushkin work] and to harness the restive steed (Medvedev's statement) and timid doe (their promise) to one cart: The president will sign the law, but will send amendments to it to the Duma, while the law itself will be sent to the Constitutional Court. KOMMERSANT-DAILY has learned from Kremlin sources that in his amendments the president will point out at least three provisions that have elicited a particularly sensitive reaction on his part.

First, in Yeltsin's view, candidates from electoral associations are in a preferential position compared to those running in single-seat districts: The former may insure themselves by running also in single-seat districts, while the latter, however much they might wish it, will be unable to enter party tickets just on their own accord. Second, the president does not understand why the premier should leave his post during the election campaign, while a banker is not obliged to do so. Third (and, naturally, foremost), the president still thinks that the contentious 1:1 ratio between candidates running on party tickets and in single-seat districts infringes on citizens' rights to be comprehensively represented in the State Duma. If the State Duma fails to respond to the "hand of conciliation" extended by the president, Yeltsin will turn to the Constitutional Court.

At first glance, the new Kremlin intrigue looks even elegant — the Duma is going to be taken by hook or by crook. Evidently, the president does not believe too much in the Chernomyrdin bloc's prospects on the party scene. "Our Home" stands much better chances in majority districts, where the local authorities will do their utmost so as to help "our people" succeed. At second glance, however, it becomes clear that yet another attack on the State Duma does not have particularly much sense.

Of course, Rybkin is ready to compromise and to adjust the law on elections, but only to a certain extent. Bending the law somewhat in Chernomyrdin's favor and, propped up by the Constitutional Court chairman's moral support, allowing statesmen holding "political offices" to keep them while running for parliament would be one thing. But giving up so hard-won proportions to the president would be quite another. All the more so because Yeltsin, to all appearances, will not gain anything by sending the law to the Constitutional Court — the question of deputy ratios belongs among political, not legal, nuances Tumanov is careful to steer clear of. If Satarov and Krasnov can be trusted, after being signed the law will go into force, and all moves by the Kremlin will be just one hand clapping. In this case, the sole acceptable explanation for the Kremlin's activity can be its ritualistic nature: Being perfectly aware of the fact that the Duma cannot be overpowered, the president nonetheless has to take it on in the run-up to elections so as not to lose support of the regional elite — the "party of power" that, as is

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well known, is ready to lay down their lives so as to turn the "Moscow" State Duma into a "Russian" one.

'Russia Is Our Home' Members Address Congress

MM1705095695 Moscow ROSSIYSKAYA GAZETA in Russian 16 May 95 First Edition pp 1-2

[Report by Valentin Maslennikov: "The Key Word Is Stability"]

[FBIS Translated Text] Russia and our people have grown tired of shake-ups and revolutionary upheavals and we all want a normal, dignified life which can be ensured only by the country's stable, steady development and the consolidation of its citizens' security.

Stability is the key word of the all-Russian sociopolitical movement "Russia Is Our Home," whose constituent congress was held in Moscow last Friday. The congress discussed the election movement's aims and priority tasks and political, economic, and social priorities. Above all it is needed to give no extremists any chance of winning the forthcoming parliamentary elections and to ensure that after 12 December this year there is an opportunity to form a government based on a majority in the State Duma.

The authorities' attempt openly to enter the political struggle after forming its own election bloc has already ceased to be a sensation. Moreover, it is deemed timely. Rebukes that in Russia a "party of power" is being formed smack of meeting-based passions. "Violence against the logic of the reforms under way and an attempt to reverse them or divert them," V. Chernomyrdin said at the congress, "would in the present situation be the worst manifestation of 'revolutionary' impatience and intolerance."

The new election movement assumes responsibility for the fate of the country and its people. Note that the aims proclaimed at the congress — the consolidation of the Russian state, legality, and law and order, the creation of an effective national economy, and attention toward social problems — are addressed primarily to ordinary people, to those who sincerely hold dear our common home that is Russia.

In his concluding speech Russian Government Chairman Viktor Chernomyrdin, elected leader of the new movement, expressed the certainty that the election bloc that has been created will act worthily at the parliamentary elections. The movement, he stressed, is ready to cooperate with all those who share our aims and tasks and it is not worth paying attention to attacks from the left and right.

At the congress First Vice premier Oleg Soskovets and Samara Oblast Administration Head Konstantin Titov were elected deputy leaders of the movement. The movement council has been joined by a number of members of the government, in particular Sergey Shakhray, and over 30 heads of administrations of regions of the Russian Federation and several leaders of republics belonging to Russia. Of the parliamentary factions and groups which took part in the movement's creation we can cite the Party of Russian Unity and Accord, "Stability," and "New Regional Policy."

But it would be wrong to assert that the expresses of the ideas and moods only of the nomenklatura gathered for their constituent congress. Yes, leaders of industry, administration heads, and ministers predominated in the Movie Center auditorium on Krasnaya Presnya. But after all any leader represents his collectives and the inhabitants of the regions. Irrespective of rank all congress delegates and guests had a common cause — the consolidation of the country's economy, its rebirth, and provision with amenities.

The congress has stated the creation of a powerful organization, approved the rules, and issued a political statement. What next? The new election movement will submit its candidates on party and one-seat lists counting on obtaining a majority in all districts. As we know, one other election movement has been organized in the country — the so-called "Rybkin bloc." V. Chernomyrdin gave an assurance at the congress that the two associations will operate "in parallel, cooperating and not crossing each other's path."

Speaking immediately after the end of the congress at a press conference, V. Chernomyrdin told journalists that the day before he had a long talk with B. Yeltsin on the bloc's forthcoming election campaign. "The president wished our association every success," the prime minister announced.

Over 300 delegates from all regions of Russia, about 200 guests, leaders of oblasts, Krays, and large industrial enterprises, and figures of science and culture took part in the congress. Some 17 people applied to speak in the debates but they did not all manage to mount the rostrum: V. Chernomyrdin urged those present to display efficiency and complete the session by 1400 hours. Which, incidentally, they managed to do.

The congress was opened by K. Titov. He familiarized those assembled with the agenda, which included seven questions, and with the congress standing orders. Some 13 people took part in he debates. Here is what they said.

I. Shvedak, general director of the "Samara Ball Bearings Plant" joint-stock company:

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The enterprise's 10,000-strong collective has joined the market. Yes, we are also being rent apart by nonpayments and exorbitant rates for electricity, water, and so forth. But we have not started weeping. We have been given the sense that we are owners — and we have the reforms to thank for that. Today the joint-stock company has no debts and 75 percent of our output is exported. The movement which we are taking about at the congress sets stability as its main task. We are learning to work stably and for that reason we are joining the "Russia Is Our Home" movement.

G. Vyatkin, rector of the Chelyabinsk technical university:

People in our region in the Urals are joining the new election movement in collectives. Thus, in Chelyabinsk Oblast commodity producers and land users have already joined. In many organizations primary cells have already appeared. We must unite society's healthy forces and prevent dwarf parties from proliferating.

V. Ishayev, head of Khabarovsk Kray administration:

The people of the Far East, like all Russians, now need stability and the continuation of the economic reforms. Organizations of the "Russia Is Our Home" movement have already appeared in the kray. They are being joined by leaders of enterprises and businessmen. We welcome V. Chernomyrdin's nomination as leader of the movement. Today the main thing is not to delay in holding a second congress to approve the election platform.

A. Aulov, State Duma deputy:

Today at a difficult time the executive and legislative branches of power must work hand in hand. Confrontation can only cause harm.

N. Ponomarev, president of the Russian Academy of Arts:

We the congress participants must create a program of further actions which would affect the interests of all Russians. I believe in the success of what we have thought up. Above all because the movement has been headed by Viktor Stepanovich.

A. Galazov, president of the Republic of North Ossetia:

Dear housemates! Our movement is destined for success. Since a new house should have a reliable foundation and walls we congress participants must do everything to erect a reliable foundation beneath the new election movement. Many media are reporting that we are creating a "party of power." I see nothing shameful in that. Why for the sake of a great Russia can we not struggle to preserve power? Greetings to everyone from the "roof of the world" -- Ossetian mountaineer has just climbed Everest and greets our congress.

A. Sobchak, mayor of St. Petersburg:

One of the main tasks of the new movement is to explain honestly, directly, and skillfully to our people what will happen in the economy, politics, and the social sphere tomorrow, the day after tomorrow, and in 10 years' time. The movement must specifically show what it is really promising to do. The formation of the movement "from the rooftop" can be successful only if it relies on the broad strata of the population and not only on administration heads and enterprise leaders. I suggest the first slogan of our movement: "A calm life and normal work."

A. Kovalev, head of the Voronezh Oblast administration:

In the oblast there is full support for the "Russia Is Our Home" movement. Many collectives have organized departments and cells. Today there is an enormous number of parties and movements in the country — 50 percent of them of unknown persuasion. Nonetheless I urge you to investigate for yourselves and to develop your own view locally.

M. Butero, fully empowered representative of the president of Bashkortostan in the Bashkortostan State Assembly legislative chamber:

In our republic we regard Russia as our common home. Consequently our national apartment in this edifice should be as well appointed as the others. I suggest introducing to the movement's charter a clause confirming the regional principles of representation.

L. Yairova, president of the Russian state circus company:

The initiative in creating the new movement is not only timely but essential, I would add that it is a historical necessity! God forbid that factions and groupings form in the movement.

A. Leushkin, State Duma deputy:

If the tough, consistent course toward stabilizing the economy is kept to then the majority of Russians will vote for the movement.

L. Verbitskaya, rector of St. Petersburg university:

We all need to be concerned for problems of education and the movement in question is inconceivable without it. Here in the auditorium people have said: Let us first boost the economy and then all the rest. No, you cannot put the question like that. In the country there are 550

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higher educational establishments and tens of thousands of teachers. Their fate is Russia's fate.

I. Ryzhkov, State Duma deputy:

I suggest supplementing the movement's charter with clauses confirming the regions' right to co-opt one representative each to the movement council. (This proposal was adopted by the congress delegates).

V. Chernomyrdin delivered a brief, emotional, concluding speech to the congress participants. Expressing thanks for the trust placed in him by the delegates he said: "I am sure that with this composition we shall obtain good results. We are prepared to cooperate with everyone solidly, on a reciprocal basis, irrespective of who is on the left and who on the right."

"We shall not let our people down," the leader of the new election movement assured them. "And let them decide for themselves on whom to count."

And one last point. The completed documents of the constituent congress will very soon be submitted to the Russian Ministry of Justice for registration. Lists of candidate Federal Assembly deputies and the "Russia Is Our Home" election movement's platform will be approved at the movement's next congress in late June and early July this year.

Yavlinskiy Comments on Talks With Other Blocs

LD1605173795 Moscow INTERFAX in English 1631 GMT 16 May 95

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — The leader of the YaBLoko movement, Grigoriy Yavlinskiy, told Interfax in an exclusive interview Tuesday that YaBLoko will act as an "independent political force nominating its own federal party ticket for the State Duma" at the parliamentary elections in December.

Yavlinskiy emphasized he did not see it as "expedient and necessary to bloc with other political forces." At the same time, he noted that "the democratic forces will ensure themselves an election victory only if they decide right now what they will bring to the presidential elections in 13 months."

Yavlinskiy defined the democratic forces as "everyone interested in holding open and just elections and ready to withstand the party and state totalitarian structure."

"We should call on society to actively participate in the presidential elections right now, otherwise we will get a puppet candidate from the party of those who like power," he emphasized.

Yavlinskiy said his movement was ready to hold consultations on basic issues such as the political and economic program for the country's development, presidential candidate and future cabinet with everyone willing.

Commenting on Yegor Gaydar's recent statement on his being empowered for talks with YaBLoko, Yavlinskiy said he was "ready to consider the proposals from both Russia's Democratic Choice and other political forces."

At the same time, he added that YaBLoko had "serious principal differences with Russia's Choice on both the policy of the last four years and the current one."

"I regard as ambiguous the position of the Russia's Choice faction in the State Duma which supported the federal budget and at the same time protested against the war in Chechnya," he stated.

Yavlinskiy said "YaBLoko's electorate are those who are deeply disappointed by the policies of Yeltsin and Gaydar and do not believe, nor want the changes promised by Zyuganov."

The YaBLoko press service told Interfax that Yavlinskiy will appear on the TV screen tonight in such programs as Podrobnosti and Versii.

Democratic Russia Leader Criticizes Yavlinskiy's Stance

LD1605204595 Moscow INTERFAX in English 1842 GMT 16 May 95

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — Co-chairman of the Democratic Russia movement Lev Ponomarev has criticized Grigoriy Yavlinskiy's refusal to cooperate with democratically-oriented parties.

Ponomarev told Interfax Tuesday that the refusal of the YaBLoko movement's leader to form a wide democratic coalition for the forthcoming parliamentary and presidential elections that would unite Russia's Democratic Choice and Democratic Russia is evidence that Yavlinskiy is still "unprepared to become a leader on a national scale."

Apparently he is unprepared to leave his shell and remains critical of everybody — Gaydar, Yeltsin and all the rest, Ponomarev said.

Ponomarev recalled that Democratic Russia had asked Yavlinskiy and Gaydar to form such an association. Ponomarev believes that Yavlinskiy would be the sole candidate for the leader of such an alliance, while Gaydar "should refrain from laying claim not only to being number one, but to a place in the top three, either". Ponomarev believes that this would not be Gaydar's humiliation, because in any democratic country the leaders of political parties may change and those who have lost have to step into the background and wait for their chance.

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Ponomarev believes that a wide democratic association would be "the sole opportunity for the democrats to win the parliamentary elections and, probably, bring about Yavlinskiy's victory in the presidential elections."

RMDR's Popov Stresses Need for Long-Term Economic Reforms

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[FBIS Transcribed Text] ST. PETERSBURG, May 16 (Interfax) — The leader of the Russian Movement for Democratic Reforms party (RMDR), Gavriil Popov, told a news conference in St. Petersburg Tuesday that "it is necessary to develop a program for at least 10 years ahead" to reform Russia's economy. The new competitive economy should serve the interests of the people rather than those of the army, he added.

Popov said that the RMDR will support trade unions and independent entrepreneurs at the future parliamentary elections. He said his movement was "satisfied with its position of today" and its representatives did not seek the presidential seat.

Popov made it clear that in St. Petersburg "the mistakes committed during the first elections to the Duma will be corrected." Then, the movement failed to form a powerful opposition. Now the RMDR intends "to convince the electorate to vote in favor of its allies, trade unions and those entrepreneurs who do not live at the expense of the authorities."

Popov criticized Russia's bureaucracy which "launched an attack to hold the elections at the expense of the state and put the difficulties of the reforms on people's shoulders."

Democratic Party Wants Vote of Confidence in Government

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[FBIS Transcribed Text] YEKATERINBURG, May 16 (Interfax- Eurasia) — The Democratic Party of Russia [DPR] parliamentary group has been consistently pressing for a vote of confidence in the government. Sergey Glazyev, chairman of the State Duma Economic Policy Committee and the DPR leader, told Eduard Rossel, chairman of the Sverdlovsk Regional Duma, in Yekaterinburg Tuesday that 60 signatures have been collected for including this issue in the Duma agenda.

The government has failed to honor all its commitments, Glazyev said. This includes the Public Accord Treaty, the presidential message to the Federal Assembly and the State Duma resolutions on the economic policy. Glazyev expects that as a result the production will fall by 15 percent at the end of the year, the investments will drop by 20 percent and five million will be jobless at the end of the year.

He predicted that keeping the dollar exchange rate down will result in a new "Black Tuesday." "The ruble cannot be stable with inflation raging at 8 percent to 10 percent a month," Glazyev explained.

FITUR, Industrialists, Realists To Form Election Bloc

MK1705091095 Moscow SEGODNYA in Russian 17 May 95 p 2

[Report by Andrey Nikolayev and Viktor Khamrayev under the "Inspection" rubric: "Industrialists and 'Realists' Have Proposed to FITUR. A Rival to the 'Party of Power' in the Making"]

[FBIS Translated Text] Chernomyrdin's electoral bloc may have a serious election campaign rival if the triumvirate of the Federation of Independent Trade Unions of Russia [FITUR], the Russian United Industrial Party [RUIP], and the "Union of Realists" public movement becomes a reality.

At any rate, the proponents of the triple alliance, who met for a consultative conference at FITUR headquarters yesterday, did not take exception with RUIP Chairman Vladimir Shcherbakov who voiced an affirmative supposition that "we will be an opposition to the "Russia Is Our Home" bloc.

Mr. Shcherbakov (Russian labor minister in the last Soviet-era years), whose briefing on the Industrial Party took up almost the entire time of the meeting, told the trade union leaders that his political organization "is not a party of directors" even if it unites primarily organizers of production who are "interested in the development of this country's rather than Western industry" and in bettering the working people's living standards. Here the RUIP leader stressed that his party has an edge on the other parties as far as its social composition goes: 35 to 40 percent come from industrial circles (mainly engineering and technical personnel), 20 percent are entrepreneurs, 15 percent are in banking and finance, and 15 to 18 percent are "science and budget people."

Such a composition, in Mr. Shcherbakov's words, dictated to the party its political orientation — "directly to the center with no deviations to the right or left." And that, the former minister thinks, quite accords with the objectives and tasks of trade unions. This being so, the Industrial Party leader offered to the trade union leaders a political partnership.

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Yuriy Petrov, leader of the "Union of Realists," announced that his movement's goals are virtually the same as the RUIP's, and expressed the hope that it would be possible through the efforts jointly with trade unions to find in the regions people who are thinking "about the Fatherland." Mr. Petrov promised, on the part of the "Realists, the intellectual assistance of "groups of scientists" conducting all sorts of studies within the framework of the "Union."

Having heard what their guests had to say, the trade union leaders welcomed their offer to sign a trilateral general agreement under which the RUIP and the "Union of Realists" would take over political responsibility "for conduct" of their future deputies who (if they make it to the Duma) will not only implement the party line but also uphold the FITUR's interests.

Proceeding from the meeting's results, it was decided to deepen the talks so as to expedite the signing of a general agreement and to start compiling a list of candidates. The sides decided against suggesting which of the three is going to be the leader, agreeing with Mr. Shcherbakov's view that in a proposal, it will not do to try and find out "who is more important: the groom or the bride."

Tuleyev Interviewed on Presidential Ambitions

954E0928A Moscow DELOVOY MIR in Russian 29 Apr 95 p 2

[Interview with Aman Tuleyev by Miroslav Buzhkevich; place and date not given; under the rubric "If I Become President of Russia": "'My Argument With Boris Yeltsin Is Closed'"]

[FBIS Translated Text] Today we introduce one further politician and statesman who has decided to run for president of the Russian Federation—Aman Gumirovich Tuleyev.

He is interviewed by Miroslav Buzhkevich, political observer of DELOVOY MIR.

On File: He is 50 years of age. He worked for most of his life in railroad transport, progressing from a switchman to chief of the Kemerovo Railroad—one of the country's biggest. He is a graduate of the Novosibirsk Railroad Transport Engineers Institute and the Academy of Social Sciences.

He has been in public service in recent years. He was chairman of the Kemerevo Oblast Soviet and its Executive Committee. In 1990 he was elected a people's deputy and member of the Supreme Soviet of the RSFSR. In December 1993 he became a member of the Federation Council of the Russian Parliament and last year was elected chairman of the Kemerovo Oblast Legislative Assembly. In June 1991 he ran for president of Russia and amassed 6.8 percent of the vote (fourth out of six).

He quit the CPSU before August 1991. He is not at this time a member of any party and considers himself an independent public figure. He is widely known outside of Kemerovo Oblast also.

[Buzhkevich] Some time ago you, Aman Gumirovich, said that you would be a candidate at the forthcoming presidential elections were Boris Yeltsin to be a candidate. Although he has not yet made this decision, his immediate entourage has given very transparent hints that it is already operating in the present president's campaign mode. Is this reason enough for you to join the struggle for the main Kremlin chair?

[Tuleyev] Undoubtedly. I believe that I am morally entitled to this. During the televised debates before the first presidential elections—all the candidates were gathered in the studio at that time except for Boris Nikolayevich—I warned Russians: Yeltsin's election would bring them authoritarian power, if not his outright dictatorship, imbalance in the economy, a weakening of the social protection of the populace, and so forth. Look around—was I not right? Life has dotted all the "i's." Yeltsin himself in his annual messages to parliament has acknowledged that the Russian economy has been plunged by the team of reformers that he himself formed into the most profound crisis, that corruption has eaten through the machinery of state, and that a substantial part of society has found itself below the poverty line. Attempting to rectify matters, the president switched to authoritarian methods of rule, illegally broke up the Supreme Soviet, and has been unable to establish cooperation with the Federal Assembly (the fact that he exchanges "caresses" with the speakers of both houses of parliament cannot be considered a fact of such cooperation).

I consider our argument with Boris Nikolayevich concerning the precision of the course for which he and his team have opted closed. And not in his favor. This is why I am joining the struggle for the presidency.

[Buzhkevich] Are you not overdoing it a bit? In recent weeks the government, primarily First Vice Premier A. Chubays, has been saying confidently that the present year will necessarily be a turning point: Financial stabilization will ensue, and it will be followed by economic stabilization also, inflation will fall to 2-3 percent a month, and personal income will rise. And all this is based on statistical data and experts' forecasts.

[Tuleyev] The same old song. Remember that Ye. Gaydar, beginning the reform with the shock liberalization

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of prices in January 1992, promised the stabilization of inflation by May even, then he postponed it until the fall. A. Shokhin, who replaced him in the office of chief government economist, "threatened" that the turnabout would occur in 1993. Once again, it did not. In 1994 stabilization of the economy was heralded by a veritable chorus: the president, the government. But Black Tuesday occurred, and inflation became rampant.

Now once again A. Chubays and Ye. Yasin are talking nonsense at the new twist of the spiral. And they should be given credit, what is more, they are doing this confidently and skillfully. Even the war in Chechnya and its consequences, which are threatening to blow a gaping hole in the federal budget, are not embarrassing them. On what are they counting? Although the 1995 budget is very taut and has a tremendous deficit, it was adopted unprecedentedly early and has all the prerequisites for being fulfilled. The main thing is not to retreat from the austere financial policy. In other words, not to give one kopek over and above the meager amount that has been allocated for the social sphere, the development of social production, and the countryside.

The most important revenue items are the sale of government securities—treasury bills totaling almost 40 billion rubles—and the acquisition of substantial foreign loans. But hardly anyone will want to enter into a new deal with a state that has repeatedly robbed the population shamelessly—remember the Harvest-90 checks and the devaluation in 1992 of Russians' deposits in the Savings Bank. Were my opinion to be sought, I would be opposed, in any event. And foreign loans are a spectral thing. And lending to the Russian rulers at this time is the same as loans to an alcoholic. Less than promised has been allocated thus far, incidentally. The rest is being held up—first bring order to bear in Russia, it is being said: Stop the war in Chechnya and, what is no less important, strengthen democracy. The latter should be understood as the suppression of the forces protesting against the selling off to foreign investors for a pittance of raw material resources and major enterprises, a lowering of import customs tariffs, and other "charms" of the accelerated introduction of market relations with the aid of shock therapy.

Parliamentary deputies tried to rework the budget. Specifically, a large group of Duma members and senators submitted a whole set of amendments aimed at an improvement in its economic, financial, and social indicators. But we were ignored.

[Buzhkevich] And what might you, Aman Gumirovich, counterpose to this policy? Has there been a change in your program compared with the one you took to the first presidential elections?

[Tuleyev] To a certain extent, yes. But the main principles remain. The first is that it is still too early to weaken substantially the regulating role of the state (which has already been done, unfortunately). If a civilized market develops, then we will see. But we need now to introduce immediately state regulation of railroad tariffs. For their growth is a principal source of inflation. Remember what A. Kosygin, whom I would compare with P. Stolypin in terms of economic wisdom, did. He kept railroad tariffs at the same level for almost 40 years. They were the lowest in the world. It was this fact that ensured the uninterrupted movement of industrial products and commodities throughout the country. And rightly so. Account was taken of the country's dimensions. But what have we come to now! Expenditure on the shipment of Korshunovskaya iron ore from Irkutsk Oblast to Kemerovo Oblast is higher than the cost of the ore itself. Railroad transport itself should have special government financing for its development. For even now, when there is nothing to carry, traffic speed is limited to 50 km in many sectors. Unless measures are adopted now, we will find ourselves in a transport bind when the upturn in industry begins.

It is necessary also to regulate the cost of energy sources. It has now been announced that gasoline prices cannot be raised more than two times a month. This is a nonsense. Even on two occasions prices could be raised 10-fold.

And the so-called unrestricted prices of our foods? For how long will they rise? And, generally, who is regulating this? A strange picture results. Last year the miners in our oblast recovered 1 million tonnes less iron ore, but lost nothing in the way of money. The cost of metal, on the other hand, is practically at the world price level. If it goes on this way, no one will need this metal. Consequently, the entire chain will fold, and production will fall apart.

[Buzhkevich] But what you are proposing is wholly incompatible with market relations.

[Tuleyev] Why? First, in all developed countries the state has retained certain rights of regulation of the economy. In France, for example, the railroads are publicly owned. Transportation rates there are established in accordance with the interests of the passengers, the freight shippers, and the state. Second, regulation and the curbing of railroad tariffs and the prices of energy sources would untie the nonpayments knot, which is now strangling the enterprises and whole branches. After all, if they do not receive freight, heating, or electric power,

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they cannot manufacture hardware, equipment, or merchandise.

And one further important condition. We should temporarily, if only for a year or two, terminate or reduce to a minimum the exportation from the country of raw material: oil, gas, timber, ore, metal, and so forth. Such a step would on the one hand secure for our own industry these resources at a tolerable price. On the other, it would give a boost to the rapid introduction of methods of the extensive processing of this raw material. Only a good-for-nothing owner sells felled, green timber. The careful owner makes boards, frames, beams, and furniture out of it and earns twice as much.

I would immediately replenish enterprises' working assets and, thanks to this, eliminate all arrears. Had I greater authority, I would assemble all Russian entrepreneurs, who have accumulated billions of dollars in foreign accounts. There would be some tough talking to ensure that they invested at least half in the Russian economy. Having accorded them certain legal guarantees here, of course. This needs to be done urgently, in my view.

[Buzhkevich] You have a kaleidoscope of ideas. What are you doing to put them into practice? Excuse me, but I have met people from whom ideas have spouted as from a fountain. But when it has come to their implementation, the sponsors have proven impotent.

[Tuleyev] In the past two or three years I have taken part in the drafting of a number of federal and regional programs and projects and have written two dozen memoranda on specific problems to the president and the government. I have received in response either polite form letters or simply silence. I wonder what kind of state we have if even a member of parliament cannot get through to the mind and conscience of its leaders.

I shall cite as an example the fate of the national security program that was drafted this year by a group of deputies. We are talking about the broadest meaning of this word: economic, environmental, seismic, and other types of security included.

Let us take economic security. At the request of international financial structures, Russia is to limit its annual coal production to 100 million tonnes. Otherwise we will lose dollar support. Our government agrees with this directive. How can we fail to recall here the thought current among sober-minded politicians and business managers concerning the purposive disorganization of Russia's economy—some people want to remove it from the ranks of countries competing on the world coal market. The Kuzbass alone produces up to 100 million tonnes a year. Consequently, it will be necessary to at least "halve" production, stop the mines and the collieries, and cut the number of jobs. This is a straight road to the growth of unemployment and people's impoverishment. What can such a proposal be called if not the endangerment of economic and social security! Look what is happening. Even now a number of foundries are purchasing coke of the Altay Coal-Tar Chemical Plant. But not from it but from a foreign firm, which has bought up this coal. Can this be tolerated?

We offered our plan for a solution of the problem of coal industry. Throughout the world (except for the United States and Australia) it is supported by the state. We need to go the same route. It is not enough today to give the miner his pay on time. He should be able to go down to the face without fearing for his life. The physical deterioration of the equipment and mining hardware in the mines of the Kuzbass, and throughout Russia, in my opinion, amounts to 60-65 percent. It needs to be replaced and modernized. Which the state should finance, if only partially.

However bad the economy is at this time and in whatever crisis it finds itself, a few years will go by, and its upturn will begin. I am sure that by this time there will have been the real economic, if not political, unification of Russia, Ukraine, Belarus, and Kazakhstan. And then their reviving industry will require coal, a lot of coal. Only we should not, as in the old days, carry it thousands of kilometers all mixed up with dirt. It should undergo extensive treatment at the concentrating factories and other such enterprises, which will have to be built and furnished with modern equipment. This will bring about the creation of new jobs, a reduction in unemployment, and a lessening of social tension.

[Buzhkevich] What has happened to it? Has it been studied in the government or the administration? What has the response been?

[Tuleyev] Nothing! The program is still journeying through the corridors of the White House and the Kremlin. Perhaps it has come to rest at the bottom of some official's drawer.

[Buzhkevich] I remember that the program you presented at the first presidential elections also contained a section on the state structure of Russia, specifically, on the position of components of the Federation. Have you remained true to your position?

[Tuleyev] In principle, yes. Although life has made some revisions and amendments. It is still being argued whether all components of the Federation should be made fully equal in terms of their rights and authority. They are currently divided into first- class and second-class, as it were. Let's take the political arrangement.

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Heads of the executive and representative authorities are elected in the republics that are a part of the Russian Federation. In the krays and oblasts the administration heads are appointed by the president of Russia, as a rule. Which is manifestly to the liking of the latter since the majority of the people whom he has appointed will not run the risk of going against the No. 1 person in the state. I look at them and I simply feel sorry for them. They rush from their centers to Moscow, hang around the doorsteps of the ministries (particularly the Ministry of Finance and Ministry of Economics), and beg, some for a billion, some for 10 billion. Those who worm their way into the confidence of officials or who know how to "sweeten the pot" are the ones who get lucky. The rest feel themselves to be hostages of this entire official-bureaucratic camarilla. Were they elected, they would feel the support of the populace. Were the president at the prompting of his associates to decide to remove a "governor" to whom he objects, he would have to think hard about whether the game was worth the candle—remove an oblast administration chief to whom there are objections in Moscow and lose a "face" and people's trust locally.

I decided to fight for elections of the heads of administrations of components of the Federation to become an obligatory procedure. Shortly after being elected president of Russia, Boris Nikolayevich set off for Novosibirsk. We had a lengthy and candid discussion with him. I proposed elections for the head of the administration in Kemerovo. My name would be on the list of candidates for this office. If victorious, I would begin to implement the program of development of the economy and the social sphere of which I have already told you a little. The president was risking nothing: Were I successful, my experience could be used in other regions or throughout Russia even. If I mess up, Yeltsin is entitled to call me a inept blatherer. And that would be that—Aman Tuleyev's political career would be over. The president thought about it and agreed to this experiment. And even authorized me to recount our conversation at a session of the Kemerovo Oblast Council. Which I did. But, as it turned out, to no avail. There have still been no elections for oblast administration chief.

About six months ago I started up discussion on this topic once again. But with Sergey Aleksandrovich Filatov, the president's chief of staff. I gave as my reasons for this the fact that the oblast administration is infected with corruption and is pursuing its economic and social policy ineptly and only discrediting the federal authorities, primarily the president. And lest Filatov suspect that Tuleyev wants to "seize" power in the oblast, I told him that I would not be a candidate. I could even write a letter of guarantee. On a plausible pretext the president's chief of staff declined my offer. I understood him—what if there should be a second Tuleyev in Kemerovo, and he were to unearth all the mafia-type, corruption connections, which could extend to Moscow.

[Buzhkevich] You have only partly touched on the political aspect of your regional policy. Perhaps it would make sense to talk a little about its economic ingredient?

[Tuleyev] It is inseparable from the problem of the state arrangement of Russia. Analyzing the oblast's development in Soviet times, I once called attention to the fact that its highest rate had been at the start of 1960's, when the councils for the national economy were created. This prompted me to think about it and take a closer look at the map. I set to thinking about Russia's territorial fragmentation. It now has 89 components of the Federation. Why so many?

I shall take my Kemerovo Oblast. There is much that unites it with our immediate neighbors—Altay Kray and Tomsk Oblast. Their territory is "covered" by one railroad—the Kemerovo—and united also by a common waterway—the Tom River with its tributaries. They are linked by economic, technological, social, cultural, and other aspects of life. The Altay and Tomsk people cannot manage without Kuzbass coal, coke, metal, and chemical industry products. The Kuzbass and the Barnaul mechanical engineers cannot live without Tomsk high technology. And both its neighbors need Altay grain. The Kuzbass currently imports up to 85 percent of its grain from Krasnodar and Stavropol Krays and also from overseas. Only 5 percent of the population is engaged in agriculture in Kemerovo Oblast. The coalminers, who, developing the production of fuel at strip mines, are reducing the plowland, are on the march against this branch. Billions of rubles are being driven into its recultivation. What for? We need to abandon this nonsense and give the funds to the Altay grain growers and stockbreeders, who would supply the whole united region with food and other agricultural products.

There are many such "blocs" in Russia. There would be a sharp reduction in long-distance transportation costs and in investments in enterprises of the same type. Some know-it-all's, for example, given the lack of control on the part of the government, decided over my substantiated objections to build simultaneously two international airports in Kemerovo Oblast and the same in Novosibirsk and one further one 300 kilometers away.

And, of course, all components of the Federation should have absolutely identical rights and powers and build relations with the federal authorities on the basis of a unified law.

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[Buzhkevich] Appreciable amendments to the constitution would need to be made for this.

[Tuleyev] It needs to be determined first, proven even, in my view, that it truly was supported by a majority of Russians.

[Buzhkevich] But there was the official notice of the Central Election Commission: The requisite number of voters turned out for the referendum on approval of the constitution, and more than half of them voted for it.

[Tuleyev] Certain meticulous people have calculated that "this more than half" constitutes merely 15-20 million persons, that is, 10-12 percent of the population. If the facts of vote-rigging are taken into consideration, there can be no question of any public approval of the constitution. And it was made patently for Boris Yeltsin. Parliament has been deprived of supervision of the activity of the executive authorities. The president has developed tumultuous "indicatory" activity. While the State Duma and the Federation Council are arguing about the acceptability of the laws that have been prepared, he is coolly governing the country as he wishes. V. Shumeyko and I. Rybkin, the speakers of the chambers of parliament, do not contradict him. More, forgetting their deputy's obligations, they are concealing from their colleagues illegal decisions of the Security Council, on which the president has placed them in order that they might hold their tongues.

[Buzhkevich] Listening to you, we have neither a constitution nor democracy. Are you not afraid of becoming known as the "songster" of the implacable opposition?

[Tuleyev] Let us take a look at the actual concept "democracy." I would say that it has three distinguishing features. The first is defense of the rights and liberties of man and citizen. The second is supremacy of the law and everyone's obedience to the law. Whether it is a good law or a bad law, as long as it is in effect, it is binding on all—from the president to the homeless. And, finally, democracy is not permissiveness and anarchy but discipline. All kinds of discipline: ethical, moral, civil, technological, military, everyday, domestic. Man's responsibility for any of his actions. If one of the above features is absent, there is no actual democracy. Someone's dictatorship, the power of the street mob or mafia-rule procedures, total state corruption, and organized crime substitute for it.

What kind of democracy can there be when the president himself is the principal transgressor of the laws! In order not to have to seek the consent of the Federation Council to the imposition of a state of emergency in Chechnya, he, at the wise prompting of his advisers, issued a directive on the restoration of constitutional order in this republic. By the forces of several large formations of tanks, artillery, and airborne and Spetsnaz subunits.

Is it democracy when the press—from the district through the capital press—regularly publishes material on the corruption that has permeated the entire vertical line of executive power from the very bottom to the transcendental heights of the Kremlin hill. And no response. More precisely, the result is entirely the opposite — thieves and bribe-takers remain in their positions.

Kemerovo affairs are closer to me, of course, although they frequently approach events of a Russian scale. I wrote a memorandum to all the "top" authorities: the president, the government, the Federal Counterintelligence Service, the Office of the Prosecutor General. I described how the country's gold reserves and also other precious metals were being embezzled. The gold mined in the oblast or on neighboring territories was not being surrendered to the state in full. It was not kilos but tens and hundreds of them that were being misappropriated. Tonnes of silver disappeared. Numerous commissions arrived. They were feted as soon as they stepped out of the airplane. Nonetheless, there were still steadfast inspectors who established who had been stealing the gold and silver and how. But this is as far as it went. Yet merely the stolen Kuzbass gold would be sufficient for creating decent living and work conditions for Russia's teachers, higher educational institution lecturers, and employees of the cultural field.

[Buzhkevich] Why? Did the high Moscow authorities have no confidence in their own inspectors?

[Tuleyev] They did not believe them, apparently. With the aid of leaders of the Kemerovo Oblast Administration and other high- level officials, I believe. And good guys, to a man, have been selected with us. They were chosen in Moscow on the principle of personal devotion. To whom? To whomsoever it was necessary. A. Malykhin, the president's personal representatives, for example. It might have seemed that a serious individual with a knowledge of the oblast, the economy, and social problems and with a broad outlook and a good education should have been selected for such a position. Anatoliy Malykhin cannot boast of secondary education even. But he is known personally and devoted. But this has not added to his knowledge or professionalism.

Or another example. A "purge" was carried out at the local television studio, and the professionals were removed. A worker promoted from the ranks—the former chief of an administration of a remote rural rayon—was made head of the Committee for Television

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and Radio Broadcasting. He knows only two commands: "Order arms!" and "Get!" that is, stand to attention or grab. In order to obtain an opportunity to appear on television, I, the chairman of the oblast Legislative Assembly and a member of the Federation Council of the Russian Parliament, have to go through a lengthy and humiliating procedure. I have first to forward an official request to the Committee for Television and Radio Broadcasting. When it has been considered, I am summoned to the studio for a preliminary recording. Then it is played back. If there are doubts or the discovery of some "dissent," it is cut. And only then is it seen by the television audience. In practice, direct air time is on all kinds of pretexts not granted. If this does happen, it is very seldom. So political censorship of television has been restored here.

Political detection has been revived also. My colleague Ramazan Gadzhimuradovich Abdulatipov, deputy chairman of the Federation Council, complained on a program on the capital's television recently that he constantly sensed the attention of some extraneous persons and that his telephone conversations were being bugged. I understand his anger. I am familiar with all this. As I am with the faces of those who are observing where I eat or go and with whom I meet. Not only myself but also certain other of my Legislative Assembly colleagues, who have shown themselves to be independent people and who do not hang onto the authorities' every word, are being shown this attention, for that matter.

[Buzhkevich] What do you think, Aman Gumirovich, is there a possibility of an end being put to all this? As far as we know, public scandals erupt from time to time in the majority of countries, even those that clearly pride themselves on their impeccable democracy, on account of relapses into political detection. What is this—an inalienable attribute of any human society?

[Tuleyev] No, why should it be? I believe that it is perfectly feasible to abandon such methods of infringement of human rights. If I become president, I shall do this. The main thing is to ensure strict compliance with the laws protecting human rights. And to achieve the maximum openness of society and the transparency of the budget for all. Each taxpayer has the right to know where his money goes.

[Buzhkevich] Literally not a day goes by without the appearance of a new party. They are arising on every street, just about. How do you view this phenomenon? Which parties have the greatest potential?

[Tuleyev] Yes, party building in Russia is in full swing. But this is a temporary fashion, like a disease. If real democracy strengthens and develops, it will pass. If we are speaking of Kemerovo Oblast, a number of the parties that thunder forth in Moscow are with us unpopular, and some do not exist at all. The authority of Russia's Choice is at the zero level. The most ponderable, perhaps, are the Communist Party of Russia and the Agrarian Party organizations. If there is a precise and honest count at the forthcoming parliamentary elections, without any vote- rigging, the parties will obtain the most deputy's mandates. I repeat, here in the Kuzbass.

[Buzhkevich] You do not allow of the democrats, having, finally, ended their slanging match and showdowns in their ranks, uniting in a powerful election bloc? And of them obtaining a considerable number of the seats in the Duma?

[Tuleyev] For this they would first of all have to camouflage themselves and think up some new name for their bloc. After all, people have in recent years become solidly allergic to the word "democrat." As was the case 10 years ago in relation to the word "communism." In the eyes of millions of Russians the concept "democrat" has become a symbol of verbiage, bribery, and corruption.

Take the check privatization. The state has obtained a paltry sum from it. People on the former party and Communist Youth League rolls together with their democratic colleagues, on the other hand, having rushed into business, have bought up the vouchers and grabbed the controlling blocks of shares of many enterprises. Now, at the second, monetary, stage of privatization, the altogether unconcealed buy-up of our national resources by the sharks of our own and, mainly, overseas capital is beginning.

Anatoliy Chubays likes to say that a stratum of proprietors has appeared in Russia as a result of privatization (read: as a result of his personal efforts). Rubbish, this is all nonsense. This stratum is now selling off its property. Teachers, medical personnel, and other public-sector employees receive 200,000 a month. A two-room apartment costs up to 130,000. A new rise in food prices is expected in May. What are they to live on? They are selling their apartments and are themselves renting rooms or even corners from other people.

So let the democrats unite. But they know that the ordinary people now have little faith in them. If they do not deny them their trust altogether.

[Buzhkevich] You have spoken a great deal about corruption and state officials' ties to mafia groups. What do you think, do parliamentary deputies have such ties? And how will this influence the outcome of the coming elections? Will Mavrodi, who became a member of the

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Duma mainly because "cost was no object," have many followers?

[Tuleyev] Mr. Mavrodi is by no means a pioneer of the purchase of a deputy's mandate. There are many such eagles in Rus. They are in our oblast Legislative Assembly also. The entrepreneur P. Fink, for example, got elected to this assembly by having bought the electorate's vote. The oblast administration had formerly allocated billions for his private firms. It all ended with his being indicted on six criminal charges. He is currently....on the run. A law that strictly limits the amount of material outlays on an election campaign by parties, public blocs, and independent candidates is needed.

As yet there is just one way—to counterpose to money active work with the electorate. It is necessary to learn to conduct a dialogue with it and to persuade it of the attractiveness and practicability of one's election program.

[Buzhkevich] The results of the unions' united action day were discussed at a meeting of the Russian Government recently. A. Chubays declared that, conducting negotiations at the behest of the government with the Independent Trade Unions Federation on the eve of this event, he had managed to settle a number of controversial issues. Mass protests did not, for this reason, occur. And, generally, tension has eased noticeably. How do you, Aman Gumirovich, evaluate the significance and results of this action?

[Tuleyev] A mass meeting was held on that day in Kemerovo. Some 15,000-17,000 persons gathered. I recalled in my speech that such meetings had been held here in 1989, when the country's first miners' strike was staged. It was from the Kuzbass that the public protest movement against the double-dealing policy of Mikhail Gorbachev, which contributed to his fall to a large extent, began. Now the situation is being repeated, but with a reverse sign. We now need not to demolish but to create and to save Russia from disintegration. This is why there were calls for the resignation of the government and for early and simultaneous parliamentary and presidential elections. This is demanded by the miners—the force that brought Yeltsin to power—what is more. The people are convinced that the country cannot extricate itself from the crisis with the present rulers.

It is in vain that the government is reassuring itself: The social tension has subsided, there will be no explosion of public anger, it says. It is deluded. The threat of a social explosion is real. Only it will not happen in summer, when people are busy with their truck gardens and the procurement of supplies for the winter. It could, however, come "crashing down" in the fall unless specific and effective measures for a recovery of the economy and an improvement in the life of Russians are adopted. And the unions' united action day was as a general rehearsal, as it were, for such a social upheaval.

There are three commandments for the state, in my view: Protect the older generation, help children grow and stand on their own two feet, and those who are working—interest them in their jobs, help them secure the abundant fruits of their labor, and create living conditions worthy of man. These commandments are "dormant" in Russia as yet. Engaging them—this is what the newly elected parliament and president should be concerned with.

Military & Space Issues

Yeltsin Confers Military Rank on Aide

LD1605213795 Moscow ITAR-TASS World Service in Russian 1344 GMT 16 May 95

[By ITAR-TASS correspondent Boris Kipkeyev]

[FBIS Translated Text] Moscow, 16 May — Russian President Boris Yeltsin has issued an edict bestowing the military title of Lieutenant General on Valeriy Ochirov. Itar-Tass was informed of this by the press service of the president of the Russian Federation.

Valeriy Ochirov studied at the Syzran higher aviation college, the Military-political academy and the General Staff Academy. He is a Hero of the Soviet Union, served twice in Afghanistan and made 846 combat sorties. He was elected People's Deputy of the USSR and worked in the Supreme Soviet as deputy chairman of the Committee for Defense and State Security. From August to December 1993 he was deputy head of the Interim Administration in the state of emergency zone on the territory of North Ossetia and Ingushetia.

At present Valeriy Ochirov is deputy head of the Control Directorate of the president of the Russian Federation.

Cosmonauts on Board Mir Station Begin Work in Open Space

LD1705063095 Moscow ITAR-TASS World Service in Russian 0303 GMT 17 May 95

[By ITAR-TASS correspondents Viktor Gritsenko and Veronika Romanenkova]

[FBIS Translated Text] Moscow, 17 May — Today, at 0638 hours Moscow time cosmonauts Vladimir Dezhurov and Gennadiy left the 'Mir' orbital station and began working in the open space. It is expected the extra-vehicular activity [EVA] will take five and a half hours.

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This is the second of the four EVAs scheduled for this expedition. The first, lasting six hours, was carried out by the cosmonauts on 12 May. All the EVAs were to be carried out by the Russian members of the international team working on board the 'Mir' station. While the commander and the flight engineer are working outside the complex, the research scientist Norman Tagard, U.S. citizen, is closely monitoring their activities from inside.

The cosmonauts have to move solar batteries in order to make space for the new scientific module 'Spectrum' which the Russian military space forces plan to launch on 20 May.

The ITAR-TASS correspondents learned at the flight control center that "because of some delays in the schedule" the dates for the next EVAs have been brought forward. Initially, Vladimir Dezhurov and Gennadiy Strekalov were scheduled to carry out the work outside the station on 24 and 27 May. Now it has been decided that the EVA will be be carried out on 20 May.

Cosmonauts Continue Work in Open Space

LD1705111995 Moscow ITAR-TASS in English 1044 GMT 17 May 95

[By Anna Bakina and Viktor Gritsenko]

[FBIS Transcribed Text] MOSCOW, May 17 (Itar-Tass) — Russian cosmonauts Vladimir Dezhurov and Gennadiy Strekalov have already spent more time working in the outer space than originally planned. They are busy moving the packed reusable solar battery No. 4 (MSB-4) from the "Kristall" module to the "Kvant" module.

They checked the battery's condition before stepping out into the open space. Then they moved it to the new place of installation by means of a cargo boom. After that the cosmonauts went over to the "Kvant" module, where the battery is to be installed.

In spite of the fact that today's exit was undertaken before the planned time, the cosmonauts were unable to complete the job within the fixed period and, on decision of the Flight Control Centre, are still continuing their work in the open space. They were initially expected to return to the station at 12 hours 20 minutes.

Federal Assembly

Federation Council Aide on Contentious Conscription Law

MM1705100095 Moscow KRASNAYA ZVEZDA in Russian 16 May 95 p 2

[Interview with Petr Shirshov, chairman of Russian Federation Federation Council Security and Defense Committee, by Petr Karapetyan; place and date not given: "Petr Shirshov: Legislators Must Feel Responsible for the Russian Army" — first paragraph is introduction]

[FBIS Translated Text] Visiting card: Petr Petrovich Shirshov, chairman of the Federation Council Security and Defense Committee. Born into an employee's family in Orenburg 22 March 1945. Worked as a tinsmith at the machine-building plant in Orsk. From 1963 through 1966 he attended Orenburg Antiaircraft Artillery Military School. After seven years' service as an officer he entered the Military-Political Academy. He was political officer of a regiment and deputy chief of the political section and chief of the political section of a division and a corps. After the events of October 1993 he resigned with the rank of major general. From November 1992 through October 1993 he was chairman of Bryansk City Soviet. Since December 1993 he has been a deputy of the Federation Council of the Russian Federal Assembly.

[Karapetyan] Petr Petrovich, by failing to achieve a quorum at its 19th session to discuss the Federal Law "On Making Amendments and Additions to the Russian Federation Law 'On Military Service Obligation and Military Service'," the Federation Council gave the law's opponents a pretext to practice making assumptions and guesses of a certain kind. For example, they continue to maintain that Federation Council deputies deliberately shifted onto the president the responsibility for making a decision on the law. They say that this was the only possible way to "push through" a law which is essential to the military. What would you say to that?

[Shirshov] The period laid down in the Constitution for the Federation Council's discussion of laws sent up from the State Duma is 14 days. The law "On Making Amendments and Additions..." came to the Federation Council from the Duma 10 April. To be entirely accurate, the time for its examination by the upper chamber expired at 1042 hours 24 April, after which the law was sent to the president. So just what kind of intent was there here? We must speak of something else: of the indiscipline of 96 deputies who wrecked the work on the law by failing to attend the session. In that situation the president had the final say — which he did by signing the law 29 April. As for our opponents.... The elections lie ahead, and they are scoring brownie points....

[Karapetyan] Are you really not thinking of the upcoming elections? The law really is unpopular. But the committee which you head voted for it unanimously.

[Shirshov] Yes, I am a supporter of this law. Yes, I realize that it will not improve my rating, as it is now fashionable to say. But I am guided by state expediency: The Russian Army needs just such a law

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today. It "works" in favor of the state's security and the strengthening of the Armed Forces. Russia without a strong army is not Russia. This is my position, and nothing can shake it.

[Karapetyan] You are accusing your opponents of populism. And yet they employ figures. The law will make it possible to increase the draft contingent by some 5 or 10 percent, they maintain, but the Army will still be undermanned. They propose to resolve the problem not with the help of students and by increasing lengths of service but by reducing the number of departments which have the right to use compulsory service soldiers. And this is not just hot air but specific proposals.

[Shirshov] It is a matter not so much of figures as of principled approaches to manning the Army. The law gradually brings the Army up to the normal level of combat readiness, and this is the chief thing. As for reducing the number of departments.... In this case we would, crudely speaking, ruin entire structural subunits of the Army. How can we imagine the railroad troops, for example, without compulsory service soldiers? Is there an alternative to them?

[Karapetyan] You speak of the need for the law, but its opponents maintain that it infringes the civil rights of young Russians....

[Shirshov] The talk of total infringement of civil rights by the law is a rather clumsy attempt at wishful thinking — no more than that. Yes, individual provisions of the law not only can be improved but also must be improved. This, in general, is what the president did by his edict of 29 April, granting deferments from the military service draft to individual categories of citizens.

[Karapetyan] Passions have barely subsided in one connection, but another law is now coming up, "On Alternative Service," which was adopted by the Duma on its first reading. It can be assumed that a heated debate will flare up over that as well. A very precisely defined section of draftees will prefer alternative service. What will be the result — undermanning of the Armed Forces again? So, is such a law needed right now?

[Shirshov] I believe it is. Only it should be clearly defined what the grounds for alternative service can be. In my view it is possible only on the basis of religious convictions. Anything else should not be taken into consideration.

Deputies Pleased With Kozyrev After Closed-Door Talks

MK1705092095 Moscow NEZAVISIMAYA GAZETA in Russian 17 May 95 p 1

["NG"-attributed boxed text accompanying article with general headline "Russian Foreign Policy Must Become Presidential. The Reasons for and Consequences of Andrey Kozyrev's Diplomacy Failures"]

[FBIS Translated Text] Yesterday, Russian Foreign Minister Andrey Kozyrev, for the second time, took part in a working meeting of the State Duma International Affairs Committee. Unlike the first meeting on 26 January, where journalists had been admitted, this one was held behind tightly closed doors. NEZAVISIMAYA GAZETA, however, has managed to learn from sources that can be fully trusted that, despite the critical attitude of the deputies to the activities of the agency headed by Kozyrev, the two-hour meeting was held without any outrages and in a businesslike atmosphere. Three-quarters of the total time was spent on formulating questions to the minister, accompanied by deputies' own views, and about 40 minutes on Kozyrev's answers. As they say, he was at his best — giving general answers to general questions and suggesting that experts be consulted as regards specific queries. Among key issues were the Moscow summit's results and European security. The summit was assessed by Kozyrev as "a great success." The deputies and the minister expressed their concern over the lack of essential coordination and over cases of teetering in foreign policy matters, which can lead to such incidents as the uncovering of a military aspect in the Russian-Iranian nuclear deal — which, as Kozyrev stated, was a complete surprise to him. In all probability, the deputies tend to attribute the failures of Russian diplomacy to general shortcomings in the work of the state apparatus, rather than Kozyrev's faulty personal function as the minister. The parliamentarians — even those who did not receive answers to their questions but were only given an opportunity to unburden themselves by speaking — also seemed to have been pleased by the meeting. The same probably applies to the minister. At any rate, he proposed to hold another meeting of this kind to discuss a specific issue — European security, including the role played by NATO — which was accepted by the deputies with great enthusiasm. They lamented, however, that the minister agreed on active contacts with them only toward the end of this parliament's term.

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Lukin Reviews Kozyrev's Responses on Iran

LD1605171495 Moscow INTERFAX in English 1631 GMT 16 May 95

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — Russian Foreign Minister Andrey Kozyrev answered State Duma deputies' questions at a two-hour-long closed hearing in the parliamentary Committee for Foreign Affairs Tuesday, Vladimir Lukin, the committee chairman and member of the YaBLoko parliamentary group told Interfax after the hearing.

He regretted the fact that because the questions were numerous "some of minister's answers were too general and rather evasive." That is why it was decided to hold another hearing of Kozyrev soon, which would be dedicated exclusively to the issue of European security.

Lukin expressed his satisfaction that "the dialog between the deputies and the Foreign Ministry officials has begun, albeit much too late."

He said the issue of Russia's nuclear deal with Iran had also been discussed at the hearing. He did not elaborate on what was said, citing the "close character of the meeting."

Lukin "agreed with Russian President Boris Yeltsin that it is necessary to fulfill all the provisions of the deal which do not contradict Russian commitments in the sphere of nuclear nonproliferation."

At the same time he said it was necessary to "review such provisions, if any, that could contribute to Iran's nuclear military might."

According to Lukin, this absolutely undesirable effect is the consequence of a "diplomacy of several doors" when the "Russian Ministry Of Atomic Energy (Minatom), while negotiating with Iran on the sale of light-water nuclear reactors, did not consult either with the President or with the Government of Russia."

"As a result, it looked as if we signed the deal on behalf of Russia, though in fact it was signed on behalf of a specific ministry," said Lukin.

He hoped "the problem will finally be settled at the level of Russian Prime Minister Viktor Chernomyrdin." "I would like Minatom to sell as much of its products as possible, but so that our grandchildren don't have a group of nuclear states around Russian borders," he concluded.

Duma Urges Continued Efforts To Lift Sanctions on Iraq

LD1705112295 Moscow ITAR-TASS World Service in Russian 0935 GMT 17 May 95

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Translated Text] Moscow, 17 May, (ITAR-TASS) — On Wednesday [17 May] the State Duma proposed to the Russian Federation Government that it should persevere in urging the UN Security Council to lift the embargo on Iraq's exports of oil and other commodities if the UN special commission assesses positively the implementation by Iraq of the disarmament part of the UN Security Council's Resolution 687.

The decision by the State Duma "to lift the economic blockade from Iraq" was supported by 265 deputies; six were against and two abstained.

The government was also urged to "take steps to protect Russia's economic interests," and to ensure, among other things, that Iraq repays its debt to the Russian Federation, if the UN Security Council decides to partially lift the embargo on Iraq's exports of oil.

The deputies also recommended that the cabinet of ministers should start developing "a firm position on the development of cooperation between Russia and Iraq after the UN international sanctions are abolished" and that it should "increase the scale of humanitarian aid to Iraq." The parliamentarians believe that certain positive results were achieved in the problem of attaining a final settlement in the Persian Gulf, taking into account that Iraq officially recognized Kuwait and its borders, and that it has revealed and destroyed the weapons of mass destruction, means of their delivery, and capacities manufacturing these weapons — the provisions listed in the UN Security Council's Resolution 687.

Law on German Treasures To Be Further Elaborated

MK1705093095 Moscow NEZAVISIMAYA GAZETA in Russian 17 May 95 p 1

[Report by I.R. in the "In Brief" column: "Should Treasures Be Given Back?"]

[FBIS Translated Text] The State Duma held hearings yesterday on the draft law submitted by the Federation Council on property rights with respect to treasures brought to the Russian Federation after World War II. According to Professor Yevgeniy Usenko, the draft law's author, "the front line of defense against German revanchism, which is raising its head, passes through the problem of cultural treasures." In the professor's

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opinion, if Germany's claims in this regard are satisfied, tomorrow there will be new claims in another area. Deputy Culture Minister Mikhail Shvydkoy demanded that the draft be seriously refined, since, in his words, we need a law oriented toward the future, not the past. Deputy Foreign Minister Nikolay Afanasyevskiy noted that the draft law does not offer any solution to this issue, but can further aggravate Russia's position since unilateral recognition of cultural treasures within this country as Russia's property can raise questions as to whether they have been kept in this country legitimately over the years. Rudolf Pikhoya, head of the State Archive Service, also criticized some provisions of the draft.

Duma's Ilyukhin Seeks Investigation of Chernomyrdin Bloc's Funding

LD1705082695 Moscow ITAR-TASS in English 0727 GMT 17 May 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW May 17 (Itar-Tass) — Viktor Ilyukhin, chairman of the State Duma (Russian parliament lower house) Security Committee intends to prod the Duma to request the Russian Prosecutor-General's Office to investigate sources of financing the founding congress of the "Our Home Is Russia" election bloc which was held on May 12, he told Itar-Tass here on Wednesday.

The address by the committee chairman to the Duma says that the mass media raised a question on criminal nature of funds spent for the founding congress of the "Our Home Is Russia" bloc (which was established by premier Viktor Chernomyrdin) and for "the tsarist banquet for congress participants and guests".

The address stresses Chernomyrdin said that funds for the congress were transferred by major Russian enterprises.

In Ilyukhin's opinion, if enterprises which transferred funds, are state-owned, this is criminally punishable squandering of state resources made by industral managers together with Chernomyrdin and his retinue. If this was done by private commerical structures, we witness a sample of flagrant corruption".

In this connection, committee chairman claims, "legislators cannot be indifferent to sharp criticism by the mass media raised against the attempt by the executive power to use widely shady funds for its election campaign.

Yabloko, Duma Concerned Over Control of 14th Army Depots

MK1705105095 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 17 May 95 p 2

[Article by Aleksandr Minkin: "Duma Reads MOSKOVSKIY KOMSOMOLETS and Begins Thinking"]

[FBIS Translated Text] On 12 May, MOSKOVSKIY KOMSOMOLETS carried an interview with General Lebed under the "Anticipating War" headline. Once again we reported on the prodigious stocks of weapons on the territory of the 14th Army in the Dniester Region (more than 50,000 pieces of small firearms alone, more than 2,500 rail cars of ammunition, the number of armored vehicles is....)

That same Friday, the "Yabloko" faction followed with a statement.

"In connection with periodically published information on the impending resignation or transfer to another position of the 14th Army commander, Lieutenant General A. Lebed, the uncertainty of the future of the arms, equipment, and ammunition depots in the Dniester Region causes great anxiety. According to available data, these facilities contain enormous military stockpiles intended in the times of the Soviet Union for extended large-scale military operations....

".... Unless measures are taken in this matter, there is a high probability that a situation involving arms rather similar to the one in the Chechen Republic in 1991-93 will arise.

"The same Friday, shortly before evening, State Duma deputies received (endorsed by their chairman, Ivan Rybkin) a draft decree where the State Duma "expresses serious concern in connection with the possibility of personnel changes in the command of the 14th combined-arms Army and the uncertainty of the future of the arms, equipment, and ammunition depots in the Dniester Region....

"And it decrees:

"To recommend to the Russian Federation president to refrain from personnel changes in the command of the 14th Army until the final settlement of the question of ownership and security of the military depots in the Dniester Region;

"To recommend that the Defense Ministry promptly take measures to tighten control over military dumps in the Dniester Region and to appoint a personally accountable person;

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"To recommend to the Russian Federation Government that it should provide an estimate of costs for an appropriate maintenance and protection of the military depots, and to provide for corresponding funds protected by an article in the 1996 budget

"To task the Defense Committee and the Security Committee with the drafting of proposals on the creation of a temporary State Duma commission to assess the legal status, state, maintenance, and security of military depots of the 14th combined-arms Army."

But they had no time left to vote on it. Whether by accident or not, the deputies began discussing the 14th Army's weapons precisely at the end of the working day.

The 14th Army arms decree was discussed at the Duma Council session yesterday. Today, 17 May, our legislators will have a legitimate opportunity to solve this question. One hopes that the deputies will treat this problem as responsibly and solve it as speedily as they did the problem of their perks.

"To recommend to the president to refrain from personnel changes" is a rather resolute formula. As regards power problems, however, the Duma is as devoid of rights as are we who have elected it. If the Kremlin has decided to remove Lebed, remove him it will. But society must know the hero who will take over responsibility for these Alps of weapons. And the hero must know he will answer for these weapons with his head rather than with being transferred to some other job.

The deputies are intelligent people. They ought to realize the threat carried by 50,000 weapons should they get out of control. Gentlemen inclined to plunder military depots or to obtain illegal arms in some other manner usually do not have the foggiest idea of deputy immunity.

Regional Affairs

Further on Efforts To Locate U.S. Citizen Fred Cuny

Fighting Continues To Block Investigation

LD1605172995 Moscow ITAR-TASS in English 1650 GMT 16 May 95

[FBIS Transcribed Text] NAZRAN May 16 (Itar-Tass) — A new attempt to take the body, which is feared to be of missing American Fred Cuny, out of Chechnya failed Tuesday after an OSCE [Organization for Security and Cooperation in Europe] envoy and a number of Russian Emergency Ministry officials had to return back to Ingushetia because of fighting near the Chechen settlement of Novye Atagi where the body is kept by the militants.

The group consisting of two Ukrainian doctors, an OSCE representative and Emergency Ministry officials from Ingushetia had to take the body out of Chechnya for identification, but returned to the Ingush capital of Nazran with no results, Alikhan Barkhanoyev, an Emergency Ministry official from Ingushetia, told Tass Tuesday.

The OSCE envoy refused to go to Novye Atagi because of combat activities there after the commander of the Russian 166th brigade deployed near the settlement said he could not guarantee a safe passage of the group. The Chechen militants, in their turn, insist that they would give the body only to an OSCE representative. Thus, other members of the group had also to go back.

A representative of the Soros foundation, Fred Cuny, has been reported missing in Chechnya since April 9 together with two Russian Red Cross envoys and a Russian translator. Nothing has been known about the Russians either.

The body feared to be Cuny's was found near the Chechen settlement of Geldagen with two bullet holes in the head and sulphuric acid poured over the face.

OSCE envoys have been trying for the second day running to reach the body, but in vain. The previous atempt failed after they came under Russian fire. A U.S. Embassy representative said that nobody was injured, however U.S. Ambassador in Russia Thomas Pickering had filed a protest and assessed the incident as a rude violation of the promises about immunity of the OSCE envoys given by the Federal Security Service.

It was the security service which searched for Cuny in Chechnya. However, Tass learned that Chechen militants had launched their own search as well.

It became known to Tass that Cuny's relatives who arrived in Ingushetia to identify the body believe it is hardly probable that it indeed belongs to Fred.

Kozyrev: Top Leaders Supervising Search

LD1605195295 Moscow INTERFAX in English 1842 GMT 16 May 95

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — From the very beginning, the search for the U.S. citizen, employee of the Soros Fund Frederick Cuny, who became missing in Chechnya in April has been personally supervised by the Russian president and prime minister, Foreign Minister Andrey Kozyrev told journalists at Interfax's central premises in Moscow Tuesday.

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Kozyrev emphasized that "all bodies of the Russian Federation have been engaged in the search for this man."

"I proceed from the assumption that everything is being done to find Frederick Cuny," he added.

"Of course, it would be desirable if he was alive, but we will not jump to conclusions as long as there is no final expert evaluation. This is a very delicate issue," Kozyrev said.

When asked what impact the Chechnya war will have on Russia's position on the international level, Kozyrev said: "It is hard for me to say anything. I believe it is too early to sum up the results of all those events."

Speaking on the so-called Chechen Information Center's plan to create a radio station "Free Caucasus" headed by Dudayev's representative in Krakow, Kozyrev said "Moscow is not enthusiastic by such things."

Kozyrev doubted that the situation could be described as friendly. "More likely, it is on the contrary," he remarked.

Kozyrev said the Russian side had conducted "the most thorough legal analysis" of the issue and "will negotiate with the Polish side not only in political terms, but mainly in those of international law."

Failure To Register With Authorities Noted

LD1705103195 Moscow ITAR-TASS in English 1009 GMT 17 May 95

[By Andrey Kulikov]

[FBIS Transcribed Text] MOSCOW May 17 (Itar-Tass) — Russian military officials made it clear Wednesday that had American Fred Cuny, who is reported missing in Chechnya, registered with Russian authorities, he would hardly disappear or get hurt in the combat area.

"The search (for Cuny) is seriously impeded by a lack of information on his itinerary in the combat area," a spokesman of the Russian military command in Chechnya told Tass adding that the Soros foundation representative "had violated the fixed rules of arrival in Chechnya" which demand registration with local authorities.

"Besides, he arrived in Chechnya from Ingushetia, and not via Mozdok (in North Ossetia) as it is done by representatives of other public organisations and journalists", the spokesman said.

"Some 150 journalists and 70 representatives of various public organisations monthly arrive in Chechnya. Since January 27 until today none of those who work in contact with the federal military command was hurt", he added.

"From the very beginning the federal command had no information on Cuny's itinerary and had no possibility to render assistance to the U.S. citizen and his three accompanying Russians or to ensure their safety. Judging by available information, Cuny spent most of the time on the territory controlled by militants" loyal to separatist leader Dzhokhar Dudayev, the spokesman said.

Cuny was accompanied by a woman translator and two Russian Red Cross officials who are also reported missing since April 9.

The spokesman refused to comment on the possibility that a body discovered and held by Chechen militants was that of Cuny. "It is difficult to make any propositions until the identification is held according to the fixed rules and the results of the corresponding examinations are received," he said.

Two attempts have been made by OSCE envoys and Russian emergency ministry officials to reach the Chechen settlement of Novye Atagi to get the body for identification. The body reportedly has two bullet holes in the head and the face was poured over with sulphuric acid.

The first attempt foiled after the team came under Russian fire. On Tuesday the group had to return back to Ingushetia because of fighting in the area.

Chechen militants insist that the body be handed over only to OSCE representatives.

Federal Security Service Denies Body Is Cuny's

LD1705113695 Moscow ITAR-TASS in English 1126 GMT 17 May

[By Olga Semenova]

[FBIS Transcribed Text] MOSCOW May 17 (Itar-Tass) — The Russian Federal Security service categorically denied Wednesday that the corpse found in Chechnya and feared to be that of missing American Fred Cuny is indeeed his body.

"I categorically deny reports that the corpse found in the Shali region of Chechnya is allegedly the body of U.S. citizen Fred Cuny", spokesman of the Security swervice, Major General Aleksandr Mikhaylov told Tass.

He refused to provide any reasons for his statement saying that the counterintelligence data regarding the body cannot be made public.

"We do not lose hope to find American Fred Cuny and accompanying Russians", Mikhailov said.

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Further Reportage on Situation in Chechnya

'Militants' Said Heading for Neighboring Republics

LD1605134295 Moscow INTERFAX in English 1233 GMT 16 May 95

[FBIS Transcribed Text] GROZNYY, May 16 (Interfax) — Federal troops lost a man while five were wounded over the last 24 hours, a spokesman for the joint command has reported to Interfax. He put the militants casualties at 19.

The federal troops note signs of militant movement from Chechnya toward Dagestan and Ingushetia. In the past 24 hours interior and border troops curbed several attempts by Dudayev's men to infiltrate into the neighboring republics.

During last night's shelling of a police unit, a police lieutenant was wounded. Skirmishes with militants are reported to have flared up west of Shali and around the Bamut, Orekhovo, Avturi, and Stary Achkhoy communities.

The source stressed that there was no single confrontation line as such between the federal troops and the illegal armed formations. Much activity has been registered to the northwest of Bamut and Stary Achkhoy and to the southeast of Shali and Alliroy.

The last few days have seen stepped up rail freight and passenger traffic on the lines Mineralnyie Vodi-Groznyy, Makhachkala-Moscow, Prokhladnoya-Gudermes, Moscow-Groznyy. Traffic police escorted 18 trains on Monday.

Russians Begins Patrolling Chechnya-Georgia Border

LD1605162495 Moscow ITAR-TASS in English 1547 GMT 16 May 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, May 16 (Itar-Tass) — The Russian-Georgian border section in Chechnya has been taken under protection by Russian border guards from the Caucasian border district, first deputy head of the Russian Federal Border Service's department Lieutenant-General Vladimir Rozhkov told an exclusive Itar-Tass interview today. In his words, until recently the border section was protected by Georgian border guards on an inter-state agreement. Full interaction enabled reliable protection of the Russian Southern frontier.

Chechen developments made the Border Service to protect the Chechen administrative border, said Rozhkov. This protection had positive results bearing in mind border posts and cordons prevented militants from penetrating in other areas of the Northern Caucasus. Thus, the idea to involve other Caucasian peoples in the bloody conflict was broken.

The Russian border troops have fulfilled another task - prevented the Chechen illegal armed units from obtaining more arms, ammunition and mercenaries. In the opinion of the lieutenant-general, these measures enabled the federal troops to force the gangs into mountains and bring closer the end of the grave conflict and the restoration of peaceful life in the republic within the Russian constitutional framework.

The changed situation requires more reliable protection of the Russian-Georgian border at its Chechen section. This is the goal of the border unit to have headquarters in Groznyy and units on the border. The border commandant's office will be located in the Chechen capital as well to help better organization and protection of the border, stressed Rozhkov.

'Audacious Attack' on Groznyy Oil Depot

LD1605191995 Moscow Russian Public Television First Channel Network in Russian 1700 GMT 16 May 95

[Video report by correspondent Ramazan Khadzhayev; from the "Vremya" newscast]

[FBIS Translated Text] Armed criminals last night made an audacious attack on the (Khainkort) republican oil depot, on the outskirts of Groznyy. Of 16 tanks containing crude oil, five were immediately set on fire. Eyewitnesses said grenade launchers were used.

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The target was not chosen by coincidence. Khainkort is the main supplier to Groznyy's oil refining works. Electricity was supplied here today and the enterprise was preparing to bring online a main oil pipeline. As a result of the sabotage, the republic has already lost 15,000 tonnes of crude oil and oil workers are still without their long-awaited salaries. It would appear that this tragedy could have been avoided if the republic's leaders had previously bothered with guarding important state facilities. Unfortunately, this issue is still not resolved. So oil workers' alarm about the future fate of their enterprise is understandable. [video shows oil tanks on fire, firefighters, correspondent speaking to camera]

General Wounded in Chechnya

LD1605185995 Moscow NTV in Russian 1800 GMT 16 May 95

[FBIS Translated Text] Dzhokhar Dudayev's supporters fired on a car with an operational group of the North Caucasian Military District near the village of Assinovskaya in Chechnya last night. The driver was killed and Major General Chernykh, an interior troops general, was wounded. He was later taken to Vladikavkaz in serious condition and underwent complicated neurosurgery this morning.

Maskhadov Ready To Negotiate With Grachev

LD1705111795 Moscow INTERFAX in English 0914 GMT 17 May 95

[FBIS Transcribed Text] ARSHTY, May 17 (Interfax) — Chief of the Main Staff of Chechnya's armed forces Aslan Maskhadov declared his readiness to meet with Russia's Defense Minister Pavel Grachev.

"I am deeply convinced that this meeting could exert a radical influence in order to stop further bloodshed," says Maskhadov's statement distributed Wednesday.

He asserts that "the meeting with Grachev initially appointed for May 11 has been postponed for May 22."

"As an officer, I declare with complete responsibility that I have my own position, not forced by anyone, and I am ready to do my best in order to stop the battle and to sit at the negotiating table at any level in the frameworks of my competence," Maskhadov declared.

At present Grachev is on a visit to China.

Nationalities Minister on Chechnya Issues

MM1605122995 Moscow SELSKAYA ZHIZN in Russian 13 May 95 p 2

[Interview with Russian Federation Vice Premier Nikolay Yegorov by Vyacheslav Terekhov; place and date not given: "Nikolay Yegorov: 'I Draw My Strength From My Roots.' Heart-to-Heart With Vice Premier of the Russian Government" — first paragraph is introduction]

[FBIS Translated Text] It was only a lazy journalist who did not write about Vice Premier Nikolay Yegorov at the very height of the events in Chechnya. Pieces in the newspapers were not marked by a diversity of views. On the basis of the fact that Yegorov was entrusted with making political decisions in the North Caucasus, he was instantly classified as a "hawk." His airy pronouncement that the mass media to a large degree share responsibility for the fact that events in Chechnya took on a pronounced bloody character elicited an even more strident reaction from the press. Even Yegorov's sudden departure from the theater of combat operations and his hospitalization were interpreted unequivocally as a "diplomatic" illness and an attempt to escape responsibility. The report that Yegorov would have to undergo a very serious operation and that he refused to be operated on in Europe, having decided to put himself in the hands of Russian surgeons, was all the more unexpected for everybody. After this, the press lost interest in the vice premier: New "whipping boys" appeared in the North Caucasus with Nikolay Semenov as the main target. Amid all the fuss it never even occurred to anyone that we had not really gotten to know this enigmatic stranger who, heaven knows how, had joined the government from Krasnodar. This is also a fairly unique occurrence in the present authorities' personnel policy. Here they have always preferred to invite to fill the highest state posts people who, if they have not specifically gotten used to the Kremlin corridors of power, are at least used to Moscow in general. Yegorov was the exception to the rule. Why?

[Yegorov] Speaking personally, the invitation to Moscow came as a surprise to me. The president and premier made this proposal to me jointly. I did not agree immediately. I had something to lose: an abundant and potentially very powerful kray, of which I know every corner and where everybody knows me. Also a team of like-minded people who had come together and gotten on with things. I come from a Cossack family; here everything is familiar to me, there you have Moscow....

[Terekhov] Surely you do not still regret the decision you made? The Chechnya problem has not just developed. It was other people who planned and implemented policy with regard to that region. You were precipitated into taking a final step which was known in advance to be unpopular. I cannot get away from the feeling that you, to put it bluntly, were set up....

[Yegorov] I, however, do not have that feeling. The Chechnya epic cannot go on for ever. Though the

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pronouncement that in Chechnya we had come up against a real threat to Russia's territorial integrity and national security has popular currency, it has for all that not become any less true. Three years of sluggish diplomacy in the North Caucasus region led to the possibility of the Russian Federation's disintegration becoming a reality.

[Terekhov] You used the term "sluggish diplomacy" and outlined precisely what it led to. You cannot help concluding that if the solution of the Chechnya problem had been entrusted to you three years ago it really might, as the famous Russian "military leader" Pavel Grachev has put it, have been resolved by the forces of one airborne regiment, given that Dudayev did not possess powerful modern weapons then.

[Yegorov] It seems that you too have decided to turn me into a "hawk." But this is not the case; let us come to an understanding right away. At that time too, the Chechnya problem had to be resolved through negotiation. Then the use of force in Chechnya could only have resulted in one thing — complete disaster. Remember what kind of time that was: The Union had collapsed and the sovereignty bandwagon was rolling. Any careless actions by the military would not only have set the whole North Caucasus off but also Tatarstan and Bashkortostan; and shortly after that the remaining republics, which were at that moment going through agonies defining their relations with the Center, would have risen....

So negotiations were held but paradoxically, as Dudayev was very familiar with the current situation in Russia, he conducted them from a position of strength. He knew that he could, without any particular risk, indulge in anything — even blatantly loutish behavior, but he failed to take stock of just one thing: Sooner or later the situation in the country had to change. One Russian region cannot test the firmness of the whole country indefinitely. No one is allowed to change the Constitution autonomously — this would result in crime and all kinds of excesses. Dudayev lacked basic realism and human wisdom pure and simple. As a result it was actually him and not Moscow which opted for force. All Russians, including Chechens, are now having to pay for this.

[Terekhov] OK, so you have determined who is to blame for what is happening in Chechnya today. But then the question arises as to why you applied pressure when you were "directing operations" in Mozdok? You see from your pronouncement — and there is no hiding this — my colleagues became convinced that Yegorov is in favor of putting the screws on the mass media. This, so to speak, adds yet another feature to the portrait of the "hawk"....

[Yegorov] As for passing judgment, there is no "special conference" pursuing newspapermen today, as in the epoch of Iosif Vissarionovich [Stalin]. Allow me to come back at you with this question: Have you on no occasion in your life said anything in the heat of the moment?

[Terekhov] No doubt I have, like any other person.

[Yegorov] So I, therefore, am not a person.... So, vice premiers are all absolutely soulless creatures conjuring up mechanisms controlled by heaven knows whom. What I am doing is outlining the image of a bureaucrat or statesman — the stereotype created in the work of many journalists of the post-perestroyka period.

Indeed, it so happened that I saw the combat operations in Chechnya from only one angle. What did I see? Boys who were dying every day from the bullets of Dudayev's gunmen. Guys, for the vast majority of whom, whatever those who have seen the war from another angle might claim, Russia, its interests, and integrity are not empty words — for whom it is their homeland! I understand that there are people who regard the events in Chechnya in a different manner from myself. I am prepared to accept as a fact that many journalists are sincerely opposed to any kind of bloodshed, whatever its cause. But I then lost my temper for another reason: I returned from the front lines, where I had just seen dead Russian boys when I was shown an item in Mozdok saying that these boys, who knew well for what and against whom they were fighting, were more or less brought to the Caucasus by trickery and were being sent to the slaughter like a stupid and obedient flock of sheep.

I repeat: I am ready to enter into debate with people who hold a different opinion on the reasons for and consequences of the Chechnya tragedy, and I agree to listen to any arguments and do everything within my power to establish peace in the North Caucasus; the only thing is that these arguments must be honest.

It would, of course, be a good thing for me to refrain from making such strident pronouncements, but my blood really was boiling. But then several hours later I recalled the first confrontation of my life with the press. This was at a time when I was a kolkhoz chairman. The editor of the rayon newspaper came to interview me. He arrived and as luck would have it we were informed that a farmstead was ablaze! I abandoned my guest and rushed to the building. He called after me that I would not get away with such offhandedness. I replied to him: You understand very well that I am rushing off to the

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farmstead. Then he busied himself with his verdict. He could, of course, have acted more politely to the editor — we all know better with hindsight — but then there was a fire....

[Terekhov] Did you personally manage to meet Dzhokhar Dudayev?

[Yegorov] No, although such a meeting could have taken place in April 1993. At that time he flew into Krasnodar Kray: An agricultural fair was being held in Sochi. I personally was unable to meet him as I was already in Sochi, so I entrusted this to my first deputy. I later discovered that Dudayev had not left the plane for more than an hour: All this time his people had been causing a fuss at the airport, trying to ensure their leader's security. I am a Cossack, and I tell you honestly that I did not like that. We are a hospitable, welcoming people and are ready to forgive a guest any little mistake. Except for one: If you consider your host to be base and unworthy, it is better not to visit such a person, it is better not to go and see him. Dudayev offended the inhabitants of Krasnodar, and I did not consider it possible to meet with him. We have been brought up in this manner since we were small in our Cossack villages.

[Terekhov] You have already emphasized your Cossack origins more than once today. Do you really take them so seriously?

[Yegorov] Actually, I have a calm and normal attitude to this. As I do to the fact that I come from a Cossack village. You see, I see nothing bad in this: on the contrary, I am even proud.

But this is not the point here: The history of my native country has, if you like, been my passion for a long time. I have even had a pamphlet published, which I co-authored, on the history of the Cossack Host; what is more this was long before the movement for the Cossack revival began.

[Terekhov] I see that you are ready to go on talking passionately until the cows come home about your small homeland.... Let us, however, return to the present. You are at the head of the Ministry of Nationalities, and before that you led a kray administration. Hasn't your area of work changed too suddenly?

[Yegorov] No, it has not. For some reason it is customary to shorten the name of our ministry. I must remind you that it is the Ministry of Nationalities and **Regional Policy**. What you are talking about in the second part of your question, I know not only from above but also from below as a former administration head. I know all the trouble spots in the standing conflicts between the center and the regions and republics within the Russian Federation, and I am absolutely aware of what my task is: to find the best possible solution to the division of powers. At the moment we are actually working on a new blueprint for regional policy, on the basic areas in the formation of interethnic relations in Russia. I have never liked making drafts public, therefore I can only say one thing at the moment: This will be something which is new in principle.

[Terekhov] You entered the government when the team basically came together. But I will repeat: You are from the provinces. Were you never given to understand that you were an outsider who did not understand everything about the disposition of forces nationwide? Is it not difficult for you in general to breathe Moscow air after Krasnodar?

[Yegorov] All manner of things have happened. But in the course of work all these misunderstandings usually disappear. Thank God. One Moscow newspaper simply pilloried me as an outsider. I really am an outsider. May Muscovites forgive me, but it has always seemed to me — I will not now refrain from making this observation — that in Moscow people very often lose their individuality and uniqueness. They blend into the crowd which rushes and bustles along the paved sidewalks of the megapolis. I am not saying this to censure Muscovites, merely establishing that there is here a special Muscovite way of life which differs from the measured and more public regional lifestyle. It is not easy for outsiders to subscribe to what are new rules of the game for them.

[Terekhov] In that case, I will put one final and somewhat abstract question to you. Imagine that in so many years' time you are already a seasoned Muscovite and have retired....

[Yegorov] You need not continue; I have guessed the point of your question. My answer is that I will go home.

[Terekhov] To Krasnodar?

[Yegorov] No, to my home village, on the banks of its river which is called the Laba. There I will be able to relax to my heart's content, do some hunting, root around in archives. Essentially, a man does not need all that much in life to feel happy — he only needs to return now and then to his roots.

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Officials Review Reconstruction Developments

LD1605201295 Moscow ITAR-TASS in English 1913 GMT 16 May 95

[By Oleg Velichko]

[FBIS Transcribed Text] MOSCOW, May 16 (Itar-Tass) — Pyotr Surov, deputy chairman of the state commission for the reconstruction of Chechnya's economy and social sector, said that preliminary results of the reconstruction in Chechnya would be summed up at a meeting attended by members of the commission and the Chechen government of national revival, scheduled in Groznyy on May 24. Vladimir Petrov, first Russian deputy finance minister, said that funds allocated this year for the reconstruction in Chechnya amount to one trillion and 340 billion rubles.

Yuriy Korsun, Russia's deputy minister for fuel and energy, said that the restoration of 14 energy transmission lines 195 kilometres long had been practically completed. Another 16 energy transmission lines will be restored in the second stage of Chechnya's reconstruction, he said. Energy supply system had been fully restored in Chechnya by now. In this connection Russia's First Vice-Premier Oleg Soskovets gave instructions to supply energy primarily to oil developing and oil processing enterprises, thermal power stations, houses and public utilities.

The commission pointed out that funds earned by the Government of National revival from the sale of 30,000 tons of oil will be used for the development of fuel and energy sector in Chechnya.

Oil Money Restoring Fuel, Energy Complex

LD1705100095 Moscow ITAR-TASS in English 0943 GMT 17 May 95

[By Oleg Velichko]

[FBIS Transcribed Text] MOSCOW, May 17 (Itar-Tass) — "The Chechen Government of National Revival has sold 30,000 tonnes of oil. The earned money will be used to pay wages to oil workers and to restore the republic's fuel and energy complex," Itar-Tass was told by Russian Deputy Minister for Fuel and Energetics Yuriy Korsun.

According to the Ministry's estimates, the profit from this deal equalled to 2.6 million U.S. dollars. Russian means of transportation were used to deliver the oil to the buyers.

Korsun noted that up to 85,000 tonnes of unsold oil had accumulated in the Chechen republic during the period of hostilities. "A southern oil company has actually been set up in Chechnya," he added.

As earlier reported, the Russian First Vice-Premier Oleg Soskovets will henceforth monthly endorse the spendings on current economic restoration jobs in the Chechen republic. This was decided by the State Commission for the Restoration of the Economy and the Social Sphere in the Chechen Republic.

Nemtsov Reviews Privatization Progress

954F2269A Nizhniy Novgorod NIZHEGORODSKIYE NOVOSTI in Russian 19 Apr 95 p 2

[Interview with B. Nemtsov, governor of Nizhniy Novgorod Oblast, by Yelena Maslova; place and date not given: "B. Nemtsov: 'I Have an Opportunity To Influence the Situation'"]

[FBIS Translated Text] In a spring like this one 10 years ago a new era began in Russia's history, one that was given the name perestroyka. Ten years ago some people's children, now adults, were small. But it is not just children who have grown up during these years. "New Russians" and new politicians not associated with the former nomenklatura are also products of this 10-year-old phenomenon.

The subject of the anniversary served as served as a beginning for our conversation with the governor of Nizhniy Novgorod Oblast, B. Nemtsov, who, if everything had remained the same as it was, would never have been governor.

[Maslova] Boris Yefimovich, 10 years ago, unless I am mistaken, you were 25 years old and you were a young, promising radiophysicist working on your candidate's dissertation. How did you perceive the idea of perestroyka at the time? And has the past decade justified your expectations?

[Nemtsov] Like, probably, the majority of other Soviet citizens, I perceived the steps taken by Gorbachev as an event of extremely great political significance. Partially because at that time I did not yet have any conscious awareness of political processes.

I recall the time when we were first allowed to print the books of Solzhenitsyn and other banned authors. I recall the end of the war in Afghanistan and I recall when Sakharov was released from exile....for my generation and people of my circle this was an immense advancement. This was perceived as a cultural and spiritual revolution. And few at that time thought that the economy should be at the head of all reform actions. Economic problems, as before, were resolved routinely through party congresses, and decrees of the CPSU Central Committee in the Council of Ministers. Economic reforms were conducted mainly in words.

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The verbal fetishism that was characteristic of our first and last USSR president began to irritate us at the end of the 1980's. It became clear that not only had nothing essential been done to improve the life of the people but, on the contrary, things were getting worse.

It was approximately at that time that I began to "slide" into politics. Of course I perceived the processes that were taking place differently than now. For example, it seemed to me that the country, being so powerful and so rich, populated with such talented and intelligent people, would prosper immediately; all that would be needed would be to turn it onto a normal, natural path of development, giving people economic freedom and the opportunity to realize their potential. At that time I clearly underestimated the inertia that exists in the economy and in people's minds. Incidentally, youthful intolerance passed quickly.

How was the Nemtsov of 1990 different from the Nemtsov of 1995? Let us put it this way. In spite of the fact that the basic ideals, namely the creation of a harmonious society, if one is to speak about the social structure, the ideals of convergence that were set down by Brzezinski and Sakharov—these have remained the same for me, but the conflict with reality has convinced me that it will take us a very long time to get there.

On the other hand, I can feel the immense speed of the changes.

I do not like to lock myself in my office. I travel a lot and meet people. One of my recent trips through the oblast was to Sokolskiy Rayon. I was at the shipyards and met with the workers. The people think altogether differently. They talk about selling a platform, about who can buy a floating store, about how to learn to do interiors and the interior finishing as well as German workers do it....the same thing is true in rural areas.

In 1990 it seemed unlikely that the peasants would understand the need to become property owners and, moreover, that they would be ready to radically change their way of life. We anticipated something else: that it is more natural for them not to do anything, to steal a little bit here and there, in a word, to live as they always had. And suddenly in just a few years many of them understood that they cannot live that way. Incidentally, it was not only the peasants who understood this. The name of Stanislav Govrukhin's well-known film, in my opinion, became the leitmotif of the current condition of the majority of people. Some of them are striving to turn everything back, but the majority, fortunately, think that it is necessary to move forward as quickly as possible.

[Maslova] Nizhniy Novgorod Oblast is doing many things for the first time. The reforms taking place here, in political circles, are in one way or another linked to the name of the Nizhniy Novgorod governor. You were recently awarded a medal—for success in privatization. And yet Nemtsov is probably not the only one involved here, is he? Boris Yefimovich, how are all these original solutions generated, the ones that are formulated in the decrees of the governor and subsequently become "pioneer causes"?

[Nemtsov] I think the high government award you mentioned was intended not for me but for all of my comrades with whom I work and without whom I could simply not do anything. I include among my comrades not only workers in the administration but also the heads of the rayon administrations, and above all the mayor of Nizhniy Novgorod, I. Sklyarov, and many deputies of the oblast Legislative Assembly, the city Duma....without overall smooth operations we would not have been able to accomplish anything at all.

We must keep in mind that Nizhniy Novgorod Oblast was initially a depressed oblast. In 1992 Yavlinskiy had strong doubts about whether it was worthwhile to come here since he thought that if the main production capacities were in one way or another linked to the defense complex, it would be very, very difficult to achieve any successes, even small ones. Being a closed enclave, the region lagged far behind in its social development. From the standpoint of the infrastructure it was more adapted to a gigantic camp life than to an open and free territory. The people who have worked and are working here self-sacrificingly, not sparing themselves, deserve an immense amount of credit for the fact that the well-known economist's doubts were not justified.

New ideas have been generated in various ways and by various people. The idea of the program for targeted social protection, for example, originated during the course of a discussion with Tatyana Yarygina, the leading specialist of EPITsentr. The idea of the first oblast loan also arose during the period when Yavlinskiy's group was working here. The small-scale privatization conducted first in Nizhniy Novgorod was documented as a result of the stormy discussion that occurred with the participation of the then mayor of the city, Dmitriy Bednyakov, and representatives of the State Committee on Administration of State Property of Russia and the International Financial Corporation. The land reform originated in this office with the participation of Professor V.Ya. Uzun, head specialist of the Agrarian Institute of the Academy of Sciences, specialists of our department, the International Financial Corporation, and the Know-How Fund of Great Britain. The free production zones were strictly my idea. The impetus for the reorga-

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nization of rayon consumers' cooperation was provided by a meeting with representatives of our Antimonopoly Committee, particularly G.N. Gudkov. The development of a housing loan was suggested by workers of the Land Bank. The "Housing for Military Servicemen" program arose during the trip here by the First Deputy Minister of Finance Andrey Vavilov. The large "rural" program for constructing enterprises for small-scale processing of agricultural products originated during the course of numerous meetings with the general director of the Burevestnik Scientific Research Institute, N.N. Khudkov....

It is not without reason that I have taken this occasion to talk about this long list. We are inclined to forget the names of the authors of large-scale undertakings. Especially in politics. And they must be known. People must know the authors of such successful projects as well as of absurd ideas. They must be remembered as much as possible. Then politics will be more responsible.

[Maslova] At many privatized enterprises the annual summary meetings of stockholders have now taken place. How do you assess the experience of the first year of operation of the joint-stock enterprises?

[Nemtsov] In various ways. Voucher privatization in itself is not a panacea for all of our problems. At a number of enterprises the creation of joint-stock companies was a purely pro forma act which did not lead to anything or else led to deterioration. For others it was a starting point for a breakthrough. Take GAZ and the Volga Automotive Plant. The former had a 36 percent growth in production, very powerful support for its pensioners and the social sphere, the output of a new range of vehicles, the production (along with us) of a housing bond loan, and a restoration of the tradition of building housing for the automotive plant workers. At the latter little changed for the better.

An equally clear positive example is the privatization of the Balakhninskiy Paper Combine. The privatization was something unusual for Russia. Foreigners participated in it and won the competition. Before being turned into a joint-stock company the plant was a gray, faceless enterprise with a declining production volume, low wages, and an immense amount of incomplete construction. Today the monthly growth of production is 10 percent here, the eighth paper machine has been put into operation, the number of people employed in production is increasing, and the average wage is one of the highest in the oblast (about 800,000 rubles).

[Maslova] Incidentally, Boris Yefimovich, for whom are the Balakhninskiy workers now working: for Russia or for the foreign capital?

[Nemtsov] This is a question I am happy to answer. They are working mainly for themselves. And this means for Russia. Because Russia is above all people. And if the people of the paper combine have begun to live in a qualitatively better and more interesting way, this means that it is better for Russia.

Is the production working for foreigners? Undoubtedly. But I do not see anything wrong with that. They are investing immense amounts of money which we do not have. They intend to modernize the purification installations and thus improve the ecological situation in Balakhninskiy Rayon, they are closing down old, unprofitable productions, starting up the latest paper making machine, and Balakhninskiy paper is just about to take over world markets. Naturally they receive profit. For themselves. If it were taken away, everything would stop. In my view Balakhna is a rare case when everyone stands to gain, and there are neither insulted nor injured parties.

[Maslova] One of the saddest phenomena of the past perestroyka years has been tardy payment of wages. Is this problem becoming less crucial in our oblast? Does a great deal depend on the governor here?

[Nemtsov] The problem of payment of wages is most crucial at enterprises of the military-industrial complex. Moscow determines their military order, the blocks of shares are in Moscow if enterprises of this sphere have been turned into joint-stock companies, and, in the long run, Moscow should be concerned about the people working in defense and be responsible for everything that happens to them. But the local authorities can only contribute to the processes of normalization of the situation or, conversely, impede them.

How does Nizhniy Novgorod Oblast render them assistance? First. We are the only region in Russia that hands out money for conversion. For better or worse, as of today we have spent about R100 billion on conversion credit. A couple of days ago we had the first test flights of the Gzhel aircraft. The production of this remarkable machine was financed partly with this money. Second. At the three military enterprises we have created free economic zones, that is, the most preferential conditions for everyone who wants to engage in production. Third. We are deliberately including on our balance sheet the social sphere of defense enterprises, thus relieving them of expenditures they are not capable of making. This also improves the financial economic situation at the enterprises. Further. We are contributing in all ways to having military orders placed at enterprises located on our territory. This, let me note, is difficult work with Moscow bureaucrats. And, finally, in order for the main product of enterprises of the military-industrial complex

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not to be lost, each year in Nizhniy we organize an all-Russian exhibition of military technology and arms. And I must note that it significantly promotes our goods. I think that if we were not to do this, things would be even worse for the defense industry workers.

Another branch in which nonpayments have become chronic is agriculture. There are about 800 peasant farms with various forms of ownership in the oblast and approximately 200 of them are bankrupt today. What can the authorities do to improve the situation? Again take over the social sphere. Engage actively in the reorganization of kolkhozes and sovkhozes and provide support for the reorganized farms. Immense subsidies are allotted for various agricultural programs. In the cities they are building new markets and organizing other places for direct trade for agricultural producers under the program "field-store." They are financing the construction of hundreds of enterprises for small- scale processing.

[Maslova] But if everything is going so well, if, in your words, the authorities are investing both money and energy in agriculture, why are things so bad? Why are the city dwellers moaning about the excessively high prices of food products and the peasant has no idea of how to breed cattle or how to grow grain?

[Nemtsov] A difficult question. Yes, agriculture in Nizhniy Novgorod Oblast is purely our problem. But I must note that it cannot be solved all at once and only here. Nizhniy Novgorod Oblast is not the legislator of fashion on the agricultural products market—we produce very little of them. And thus such questions as price setting and competition with foreign goods are outside the framework of our competence.

I have my own concept of the advancement of Russian agriculture which I intend to defend in the government. On the strategic plane it consists of two parts. The first is the reorganization of the farms, mainly those that are operating at a loss, according to our schema, which is well known to everyone and which, in my view, is, on the one hand, well developed legally and, on the other hand, corresponds to historic Russian traditions. The second is the gradual closing of Russian borders to the expansion of the food market. But, I emphasize, the second part is not the first part. Because if we close the borders, this will simply lead to higher prices and the disappearance of goods from the shelves of stores and, as a consequence, to the impoverishment of people. I think that in time the understanding of precisely this approach to preserving agriculture and emerging from the crisis will be generally accepted, as is frequently the case with our other projects. Undoubtedly, advancement is impossible without targeted state support for rural areas.

[Maslova] And here is another problem for many thousands of people who live in the Nizhniy Novgorod region: They find it impossible to get back the money they have invested in various financial companies. The editorial offices are filled with mountains of letters on this subject. Does it not seem to you, Boris Yefimovich, that the local administrations are rather indifferent to this? And another thing: One gets the impression that they "play dirty" in the government: They do not say "no" and they do not say "yes" but deliberately drag their feet in issuing documents that permit licensed activity of companies. Is this true?

[Nemtsov] To the first part of the question I can answer unequivocally: No, it does not seem that way. We have said repeatedly for all people of Nizhniy Novgorod to hear: Before you give out your money, take a look at who is taking it. We are not in a position to take everyone by the hand and say "He could deceive you." We have created an alternative system for protection of money from inflation. Our securities are guaranteed by the oblast budget and are backed by the oblast authority, which has never yet deceived anyone in such matters.

[Maslova] But the people are all revved up. They want to risk and win. Why not give them this opportunity?

[Nemtsov] I have no objection. But the game must be honest. I will let you in on a little secret: We have our plan for an honest game almost ready. We want to create a cash fund for mutual assistance whose members can play, for example, this game: Every tenth person receives a profit every three months—he is given all the dividends. The oblast administration is prepared to give a guarantee for such cash funds and stipulate that this is not Khoper and not MMM.

Regarding the second part of your question, I absolutely agree with you. The government is making a gigantic mistake by being so indifferent toward the citizens' savings. I am in favor of having those who founded MMM and other companies like it find out about criminal liability for swindling. Failure to return money to investors should be punishable under the Criminal Code. I think that the federal authorities should see charges for each criminally punishable case through to the end, that is, until those who deceived the people are sitting in jail. We have Mavrodi—a deputy of the State Duma. Impunity is the main reason for the endless sequence of games and everyone who is inclined toward swindling considers it his duty to deceive either the state or the people. If these questions were under the jurisdiction of Nizhniy Novgorod Province, I assure you that we would simply have demonstration trials.

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The swindlers would be in jail and they would not be wanting to swindle anybody again.

[Maslova] We Russians do not respect laws very much. This is probably why we change them frequently and do not do a very good job of adjusting one to another. Does the governor call himself a law- abiding citizen? If the law and the interests of the cause diverge, which will the governor choose?

[Nemtsov] When I had just become governor I thought that, based on exclusively good intentions, the law could be violated. And on occasion I violated it. It ended badly. In the first place, nobody did it anyway and, in the second place, the procurator submitted a protest, etc. Now I act differently. If I see that the law is imperfect and is not in tune with life, as a deputy I submit to the Duma a draft law with amendments. I have this fortunate opportunity.

[Maslova] Boris Yefimovich, you are an active supporter of gubernatorial elections. If they are held, do you think you might be defeated?

[Nemtsov] I think that there will be a very fierce battle in the elections of governor, and possibly one without rules. But I think I have chances of winning. After all, in spite of the overall crisis, there are positive tendencies. And then people will value above all the personal qualities of the candidate and not his platforms or programs. If a person in such a high post has proven his honesty and decency, has proven that he is capable of handling the specific business, if there is a power in the region, I do not think that the majority of the people will have any special desire to change that power.

[Maslova] Thank you for the conversation.

Soviets, Communists Return to Favor in Vladimir Oblast

MM1705082895 Moscow RABOCHAYA TRIBUNA in Russian 16 May 95 p 2

[Report by Nikolay Chulikhin: "Call the Authorities What You Like, As Long As the City Streets Are Clean"]

[FBIS Translated Text] The City Soviet of People's Deputies — that is what the new organ of local self-government is called in Kovrov. The newly elected organs of power in Murom, Aleksandrov, Kameshkov, and many other cities and rayon centers in Vladimir Oblast have been given such names. The oblast legislative assembly has the last word on this; it can by law either ratify or reject the decision of the local deputies. However, as the first sitting of the legislative assembly, devoted to the results of the elections, has shown, here too there are many supporters of a return to the soviets.

We will not anticipate political events in Russia's heartland. Let us merely emphasize that the main victory at the local self- government elections held in Vladimir Oblast has been won by representatives of the Communist Party of the Russian Federation and movements close to it in their views.

New Pre-Election Bloc Formed in Belgorod

LD1705095595 Moscow ITAR-TASS in English 0929 GMT 17 May 95

[By Vitaliy Ilgov]

[FBIS Transcribed Text] BELGOROD May 17 (Itar-Tass) — A new pre-election bloc was formed in the Russian city of Belgorod.

Anatoliy Sitorenko, leader of the local branch of the movement "Democratic Russia", told Itar-Tass that the coalition numbering about seven thousand members united democrats and representatives of the Peasant party, the Party of public concord, the movement "Veterans for democracy", the union "Chernobyl" and the union of depositors.

The new bloc has rejected cooperation with Yegor Gaydar's party "Russia's democratic choice".

The first step of the coalition will be nominating representatives to the local bodies of self-government.

Rutskoy Recruits Supporters in Ivanovo Region

LD1605205995 Moscow ITAR-TASS World Service in Russian 1352 GMT 16 May 95

[By ITAR-TASS correspondent Anatoliy Frankovskiy]

[FBIS Translated Excerpt] Ivanovo, 16 May — Aleksandr Rutskoy, former Russian vice president and now chairman of the "Derzhava" socio-patriotic movement, started his tour of the Ivanovo region by actively recruiting members to his public association. [passage omitted: everywhere he appeared his assistants organized the sale of books he had written while incarcerated in Lefortovo - each book contained an application form to join the movement]

Having duly castigated the president, the government and State Duma members, and also the "depraved turncoats", ranging from communists to democrats, Rutskoy called for support for his stabilization program "in order to save the homeland". Rutskoy said this was a simple program which is easy to implement: some $180 billion dollars should be found, which would not be very hard, this money should be used to quickly build housing which should be distributed via loan banks to young families on the condition that the more children

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they produce the more of the loan will be discounted. Thus, in Rutskoy's view, strong families having many children would appear in Russia, the demographic situation would improve and all fundamental problems would be resolved.

Northern Paper's Closure Seen Epitomizing Regional Media's Plight

MK1605125095 Moscow KURANTY in Russian 16 May 95 p 4

[Report by Konstantin Katanyan: "A Scandal in a Taiga Dead End That Had To Be Straightened Out in the Capital"]

[FBIS Translated Text] Conflicts between the press and the authorities have become commonplace everywhere. The farther from the center, the stronger the desire of local chiefs to take the mass media under their control.

Russian laws, and first of all the Constitution, outlaw censorship in all its manifestations. The economic position of the print media, however, is such that they have to count either on budget funding or on support of sponsors. But while in large cities the press can at least choose the lesser evil, in the provinces, where businessmen themselves have yet to learn to stand on their own feet, the sad fate of nearly all local publications is to go to the authorities with an outstretched hand.

The northern town of Beloyarskiy in Khanty-Mansiysk Autonomous District is not an exception. After the local council was dissolved, all its powers, including the rights as founder of the BELOYARSKIYE NOVOSTI weekly, were taken over by the local administration at the editorial board's request. But precisely in this area have the bureaucrats started resorting to such ham-handed methods that the editor-in-chief had to turn to Moscow for help.

The administration was certain that a founder is a full owner of a publication. Therefore, the committee on culture and the mass media was tasked with running all the local press on a day-to-day basis.

Committee chief Galina Neshina, without even reading the law, demanded that BELOYARSKIYE NOVOSTI's editor submit to her materials to be published in the next newspaper issue for preliminary approval. When editor Tatyana Pronina refused to comply with these unlawful directives, the city administration announced that it would stop financing BELOYARSKIYE NOVOSTI, and set up a new paper, BELOYARSKIYE VESTI.

The censorship order was repealed following the prosecutor's protest, but the administration's other acts still had the intended effect: A paper that fell from grace was left without funds, while the city's 23,000 inhabitants were deprived of a source of prompt information. Then, the administration ventured yet another breach of the law, offering BELOYARSKIYE NOVOSTI readers a free resubscription to their newly created newspaper.

The Russian president's Judicial Chamber on Information Disputes, to which Tatyana Pronina was forced to apply, deemed the methods used by the local administration to hamstring restive journalists as unlawful and impermissible. The city administration was asked to consider removing Galina Neshina from the post of chairman of the committee on culture and the mass media, and leaders of the Khanty- Mansiysk Autonomous District were asked to take disciplinary action against chiefs of the town of Beloyarskiy who "breached Russian legislation." Finally, the judicial chamber resolutely demanded that the normal operation of BELOYARSKIYE NOVOSTI be ensured.

This scandal in a faraway taiga town has become an incident on an all-Russia scale; whether the independent Russian press will benefit from it or whether it will harm it will depend on the federal government's ability to keep a tight rein on regional barons, prone to arbitrary rule.

Tatarstan's Shaymiyev Signs Edict on Land Ownership

MK1605130095 Moscow SEGODNYA in Russian 16 May 95 p 3

[Unattributed report under the "Provincial Chronicle" rubric]

[FBIS Translated Text] Kazan — Tatarstan Republic President Mintimer Shaymiyev has issued an edict defining the right of ownership of land. According to the document, citizens and organizations of the republic owning plots of land may sell them, hand them down, make a gift of them, mortgage them, and lease them out. The edict says that a state instrument of ownership of land is issued to new owners. In accordance with the republic's constitution, the state guarantees the inviolability and protection of private ownership of land. The edict prohibits the sale of public land, preserves, national parks, bodies of forest and water, and land of transport and communications enterprises.

Khakassia Drops Moscow TV, Radio Broadcasts

LD1705105495 Moscow ITAR-TASS in Russian 0317 GMT 17 May 95

[By ITAR-TASS correspondent Yevgeniy Sobetskiy]

[FBIS Translated Text] Abakan, 17 May — As of today, Khakassia's residents will not be able to watch Russian

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Public Television, the Russian TV channel, or the Fifth Channel. Mayak Radio broadcasts will also be stopped. Only news bulletins will be spared — the "Vremya," "Vesti," and "Inform-TV" programs will each be shown once a day — whereas local broadcasts will continue in full, Gennadiy Inkizhekov, chief engineer of the Republican Radio and Television Broadcasting Center (RTVBC), told ITAR-TASS. The decision to "boycott" Moscow television programs and Mayak was made on Tuesday and the leader of the republic, heads of television companies, and the Russian communications minister have been notified. This step was caused by the large debts of Ostankino and other television companies in the RTVBC. "For over four months we have not paid wages to our specialists and neither can we pay our partners."

Kuzbass Readies Law To Centralize Control of Coal Mining

MK1605131095 Moscow SEGODNYA in Russian 16 May 95 p 3

[Unattributed report under the "Provincial Chronicle rubric"]

[FBIS Translated Text] Kemerovo — The administration of Kuzbass has announced that a law is being drafted regarding centralization of control of the region's coal industry. The heads of coal associations are pressing for placing mines under their direct control and for the creation of a regional coal company that would carry out a unified protectionist policy on the fuel market and coordinate matters connected with enhancing the efficiency of fuel production. The draft law is supposed to be put to discussion at a coming sessions of the oblast's legislative assembly.

Kazannik on Founding of Omsk People's Conscience Party

954F2230A Moscow ROSSIYA in Russian No 11, 26 Apr-2 May 95 p 3

[Article by Aleksey Kazannik: "Presidential Authority Should 'Nod Off'"]

[FBIS Translated Text] We have founded the People's Conscience Party in Omsk—a purely centrist party. We believe that we have a society of the transitional type and that it is no longer socialist but not market or capitalist yet either. The activity only of those parties that simultaneously defend the interests of labor and capital is possible, therefore. Defend capital against what, you will ask. From the insupportable burden of taxes, from the oppression of the bureaucratic apparatus, and from, finally, the orgy of crime and cowed legislation.

Our mission is this: to preserve all that is good from socialism and to take the very best from capitalism. We are well aware that publicly owned enterprises cannot compete with private enterprises in any country. But if the transitional period lasts 20-30 years, we are forced to reconcile ourselves to a dual-sector model of the economy. This is borne out by the calculations of the Institute of National Economic Forecasting of the Russian Academy of Sciences. They have calculated that implementation of the reforms will take no less than $2 trillion. First, $450 billion will be needed for the support of farming, for the support of stock companies in agriculture and public enterprises where they have been preserved, and for the creation of the infrastructure of the countryside. The creation of a normal competitive environment and, particularly, the support of small and medium-sized business—no fewer than 2.5 million small and medium-sized enterprises will need to be created in our country, according to their calculations—will require $440 million. Some $350 billion will be required to accomplish demonopolization even at the present stage. And, finally, $1.77 trillion will be needed for the construction of housing—we shall not reach the level of Western countries, of course, but something can be done. A further $50-60 billion will be needed for the support of our cachectic ruble, otherwise it will collapse conclusively, and we would be living under the conditions of a permanent Black Tuesday.

The question arises: Where is this money to come from? The first source is right there on the surface—the state budget. But the expenditure side of the state budget is 230 trillion rubles [R]. If this is how the measures for implementation of the reform are funded, it will take 20 years. But we cannot wait 20 years.

A second source are private investments and capital investments of the commercial banks. But the situation currently is as follows. Were all taxes to be paid conscientiously, we would have to pay 98 kopeks on the ruble, and in certain regions, R1.50. The state is consciously making everyone a criminal. To hope, therefore, for private investments and bank capital investments (especially since they have financed large-scale projects) is entirely unrealistic.

A third source is foreign credit. We have been told that the leadership of Russia and the leadership of the International Monetary Fund have signed an agreement on $6 billion in credit. But this is the credit specter. I fear that it will stalk Kremlin corridors for a while and, like the specter of communism, vanish forever. The interests of Russia and the Western countries are so contradictory that no one will grant us this credit.

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Finally, the last source from which our reforms could be financed are our private savings. But this source does not exist either because at the start of 1992 all these accumulations were completely used up.

There remains only the state budget. How can funds be obtained from there? We have recorded in the program that although the public sector of the economy has been almost destroyed, it should be given a second wind. Primarily the large-scale enterprises, which are 50 percent publicly owned. But the paradox is that no one is handling this. Our economists believe that they can be started up only by socialist methods, namely, planning, financing, material and technical supply. And the state should place its orders and be the guarantor of the sale of the finished product. There is no other way.

But we contemplate simultaneously also the cultivation and stimulation of the private sector. They will compete, and sooner or later the public sector will be reduced to nothing. But where is the money to be found?

We have found very dependable sources of financing. Determination of the monetary valuation of natural resources and the introduction of chargeability for the use and preservation of the natural environment. In all countries these are the most dependable sources of budget financing. Only in Mongolia, Cuba, and North Korea do they not exist.

I know our North very well, there are few places where I have not been. The situation is as follows. An oil field is sold, a license is purchased—go ahead, produce, and 40 percent of the oil remains in the earth's interior because it does not, after all, belong to anyone. People pay for a tonne of oil which has entered the pipeline, but they do not pay for the oil which has been spilled on the surface. Such a measure would simultaneously, therefore, be a solution of socioeconomic and environmental problems.

In confirmation of this thought I will give you an example. If we take all the raw material extracted in the interior, the forests, and the seas to be 100 percent, only 2 percent with us goes to manufacture products that man needs, 98 percent, in the form of waste, is dumped and contaminates the natural environment. In Japan this indicator is somewhat different: 97.5 percent of the raw material that is purchased is used to manufacture necessary products, and only 2.5 percent, in the form of waste, contaminates the environment.

This is not the sole source.

As we all know, the producer or entrepreneur cannot pay a tax of more than 30-40 percent; if he pays more, it becomes more profitable to pass bribes, more to his advantage to shield income and profits from taxes. And monies are not paid to the treasury.

For this reason we have recorded in the program that we would establish taxes in an amount of not more than 30-40 percent.

This is a second source of funding of the reforms.

A third. The machinery of state is now three times as big as it was in the Soviet Union. There are four officials per office, and all are bemoaning a lack of premises. It could perfectly painlessly be cut 30-40 and, perhaps, 50 percent. More than 3,500 persons work in the Office of the President. But we are told that the authorities cannot be touched, and a revision of the constitution cannot be demanded, otherwise there will be instability in the country. We also believe that there will be instability in the country. And when the unions staged a protest action, they invited us to take part in it also. We fully supported the unions' socioeconomic demands, but our activists carried the following slogans: "Abide strictly by constitutional statutes," "We demand elections on schedule," and "We demand democratic elections." Were a different path to be taken, we would push the leadership of Russia into the formation of a regime of personal power. I have no doubt about this.

We plan to do something different. As we all know, the queen of England has powers that no other head of state has. But by virtue of British traditions, these powers are dormant, they have this term: "dormant authority." And we plan that if our candidate or the candidate of a broad bloc of center forces assumes the presidency, we will not raise the question of an immediate revision of the constitution. This is dangerous, it would give rise to even greater instability. But the powers of the president should be firmly put to sleep. What do we mean? The president, in conjunction with parliament, the Federal Assembly, should only determine the guidelines of domestic and foreign policy and select the candidates for prime minister. Appoint him and entrust him with formation of the government. And subsequently only demand an account: How are you realizing domestic and foreign policy? The Office of the President, where there are now departments and agencies entirely duplicative of the structure of the government, should in its present form be abolished, therefore. The president would retain only advisers, aides, a small analytical center, and, of course, a control office. That is, the president should go to sleep together with his powers, but simultaneously keep one eye open to see who is breaking the law. As soon as he has spotted someone breaking the law, the control office will act.

Policy must be strictly lawful. Yes, we understand that policy exerts a tremendous reverse influence on law-making, on the law-making process, on the application

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of the law. But it itself must be within the framework of the law.

The present leadership has elevated law-breaking to the level of policy. I do not know of a single law that the administration has not most flagrantly ignored. They do not understand that the laws need to be observed. Even Yeltsin, when he was talking with me, said repeatedly: "Do such and such." I said: "This is prohibited by the constitution, this cannot be done." He shrugged: "What has the constitution got to do with it? I have told you!"

We have recorded that the pay—salary—of the top officials should be made dependent on society's living standard. If the living standard of the population has declined 20 percent, the pay of the country's top officials would automatically go down 20 percent also. If inflation is 15 percent, individuals' pay, pensions, grants, allowances—all income of the population—would be indexed. But not the pay of the top officials. They also would grow poorer, and incapable and unprofessional persons would leave the organs of state power. Such an approach could be a cause for irony. The entire system of power is corrupt from top to bottom, and if officials' pay is cut, there will be a proportionate increase in bribes, it is said. We are fully aware of all this and intend to borrow France's experience. This is what we are talking about. Our deputies say: Let the president and the ministers file tax returns, and we will do so also. This is a crafty position. The point being that the return has to be filed before 1 April, you can think about it for a year and conceal your income in such a way that the state deems you to be needy and even pays you some allowance. But this does not happen in France. An officer of the tax police there is entitled to call at any time of the day on the residents of his district. He calls, looks around, and says: "It seems that you are living better than last year. Now, then, the adult members of the family have scattered pretty smartly: one to the kitchen, another remains here, a third, to the bedroom...." And he suggests that they write out in 20 minutes, independently of each other, explanations as to where these benefits suddenly came from. He then reads the explanations and says: "There are some contradictions. I am forced to turn these over to the judicial investigation authorities. They will summon you for further investigation." Of course, the representative of the tax office could be bribed also. There is no capital punishment in France. But imprisonment for life is specified there for corruption.

There is one further component. The legislative authorities at all levels should create expert commissions from the ranks of leading specialists. The representatives authorities have at this time become mere show: They are doing nothing, everything is being decided by the executive and administrative vertical line. But there has to be control. These expert commissions, with normal rotation, should offer expert findings both on the drafts of all laws and on the drafts of socially significant decisions.

Finally, the last point recorded in the program. A party should be entitled to recall its deputies and officials who have been appointed on the party's recommendations to the power structures. No party—neither the communists nor, even less, ourselves—is interested in someone compromising it, breaking the law or transgressing the rules of official ethics. And, as a last resort—as an exceptional measure—we have made provision for self-disbandment of the party. We have in principle agreed on a bloc with the People's Self-Government Party of Svyatoslav Nikolayevich Fedorov and with the People's Party of Russia, which is better known as the Gdlyan-Ivanov party. We have not as yet assumed specific commitments—how we will distribute seats on the party slate and such like—but it is important that we have agreed on this in principle. This bloc is open to all center forces.

Irkutsk Oblast Deputy Administration Chief Interviewed

954F2252A Irkutsk VOSTOCHNO-SIBIRSKAYA PRAVDA in Russian 1 Apr 95 p 4

[Interview with Yuriy Kustov, deputy administration chief of Irkutsk Oblast, by SIBTRANSPRESS correspondent Tatyana Chukhnova, under the "At the Wheel" rubric; place and date not given: "Yuriy Kustov: 'I Do Not Believe in Horoscopes'"]

[FBIS Translated Text] In articles under this rubric, we talk about people who one way or another, to a greater or lesser extent, determine regional policy, the economy, culture, or the actions of the opposition.

I remind our readers of a journalistic principle that we try to follow: Write in such a way that the reader should become acquainted not only with the "leading personage" and the range of problems that he resolves, but also with the human, personal, qualities of the leader.

Especially exacerbated recently have been the problems of the budget-funded workers; delays in the payment of salaries have at times called forth protest actions. Therefore, we thought it appropriate to tell you today about Yuriy Kustov, who in recent times took into his hands the administration of a difficult matter, which is called the social sphere.

Before my meeting with Kustov, associations came to mind—Gagarin (my hero is called Yuriy Alekseyevich).

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Now an individual image arises. Much more, really: On the one hand, the deputy governor (under his authority is the entire social sphere of the oblast), and on the other hand, a man who in a moment of sadness takes his bayan accordion in his hands and unhurriedly plays for his soul. Running ahead, I will tell you that he also plays the saxophone.

But by training, Yuriy Alekseyevich is an engineer in the production of prefabricated ferroconcrete. He worked for 31 years at the construction directorate of the Bratsk hydroelectric station: from senior engineer to first deputy general director.

[Chukhnova] You even began with senior engineer. Were you never a junior one?

"No, never," he smiles, but it is absolutely not a self-satisfied smile, but as if he were surprised along with me.

[Chukhnova] But you entered the institute right out of high school? And why a technological institute?

[Kustov] Here I had an unusual trajectory. After the 10th grade, I had to work for awhile. There were no questions about my being accepted, but my family life had turned out in such a way that I as the eldest child had to work for our daily bread. We were left fatherless early on. Then I worked at a plywood combine—first as a joiner's apprentice, then as a joiner. Therefore, I have been drawn to wood all my life. I do a lot of wood carving. At home I have a whole gallery of works. In general, these are masks, many "black African" masks. [end Kustov]

Yuriy Kustov also confessed to a great love of birch bark. And at home he has a collection of round birch-bark baskets. His wife uses them around the house. The largest holds 12 kg of flour. There are many of these baskets that can even hold liquid—kvass, oil.

[Chukhnova] You should not have entered the technological institute, but the Forestry Academy!

[Kustov] I entered the technological institute because I could not go to another city (I wanted to help Mama), and there was no medical school in Kostroma. At that time, I still dreamed of becoming a physician.

[Chukhnova] What kind?

[Kustov] A surgeon, of course. In my childhood I suffered a serious illness; I stayed in the hospital for a long time. When the doctors saved me, I realized that this was the most humane profession. And for all the rest of my life, I tried to express my gratitude to these people. [end Kustov]

For this reason, it is with especial zeal that Kustov deals with questions of payment of debts for the salaries of workers in the budget sphere. The debts for 1994 were completely paid off within the prescribed period.

Another special concern of his is the strengthening of social programs. Last year, of the federal billions earmarked, for example, for the "Orphan Children" or "Disabled Children" programs, Irkutsk Oblast did not receive a ruble. At that time, Kustov did not yet work in the oblast administration. Today he is eliminating these deficiencies. Already in practically all of the social ministries— public education, health care—targeted programs for Irkutsk are being considered.

"After the approval of the federal budget," Yuriy Alekseyevich is convinced, "we will receive financing at the federal level." In any case, now, as Kustov himself says, "Our interests are being represented in all the social ministries."

His life is unthinkable without music. When he recalls something, he always feels himself in its sounds. In his house, his mama sang beautifully, and his father played on the accordion, the bayan accordion, the balalaika, the guitar, even a little concertina. But until seventh grade, Yura did not want to study music seriously. But when he went into the eighth grade, it dawned on him: He had to go study! He realized that without knowing how to read music, he could not make any more progress in his amateur playing. He himself convinced the director of a music school to accept him, a teenager too old to qualify, into the first class—he gave his word of honor and promised to be active. And he kept his word—he finished the five-year program in two years.

Then his love of the saxophone was born. Even now, he dreams of it at night. During his study at the musical college, (which he entered on a correspondence basis, being in his second year at the institute), he devoted himself to music eight hours every day. He often went to the institute with his saxophone under his arm. He played in a jazz group—the saxophone, naturally. He performed on Central Television six times.

And of course there were construction teams: Tashkent, Astrakhan, Belarus.

[Kustov] I always remember that time with gratitude. We did not have many pretensions, but life was such fun! Everything was a joy!

[Chukhnova] And now is work a joy for you?

[Kustov] When you feel that you have done something good for people, then it is joyful, and when it does not work out, then it is grievous. [end Kustov]

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I confess that I have not yet heard how Yuriy Alekseyevich sings. Professionally, they say. But his speech, the very words he chooses, are direct confirmation that song is very close to him.

Further along in Kustov's biography, things are not at all poetic. The young specialist was taken into the Army. He had studied in the same group with Galina—they married in their fifth year. She came after him to his service location in Bratsk.

[Chukhnova] And your children?

[Kustov] They are already grown up. My daughter and eldest son live in Ust-Ilimsk—Seryozha and Tanya have their own families. I have three grandchildren! All little fellows! And my youngest son, Aleshka, studies at the Irkutsk State University, in the Siberian- American department. He lives in an apartment (I still live in a hotel). Recently he came to me and said, Papa, feed me! I cut him off some sausage, gave him some money, and sent him back out to study again.

[Chukhnova] Given such an unsettled daily life, work is probably especially exhausting?

[Kustov] There are, of course, moments when you want to shut yourself up in some kind of hut, so as not to see anyone for two or three days. This happens after receptions, at each of which 160 people are registered. I am physically incapable of receiving everyone. But we try to have these receptions more often, so that we can help some portion of the population. [end Kustov]

I have been in Kustov's reception room more than once when his secretary, trying to shield her boss from too many visitors, has tried to direct them to an assistant. The answer was invariable: "I was told to see Kustov directly!"

[Chukhnova] Why? Do you resolve questions differently somehow, do you take care of the problem?

[Kustov] I try to find a point of contact with each person. I do not fence myself off.

[Chukhnova] And how do you distinguish among those who come to see you—who really has to be helped, and who is pursuing other aims?

[Kustov] Yes, there are various kinds of visitors. There are many who want under the guise of the prosperity of the people to "worm their way into" budget financing, to receive interest-free loans. But I have a lot of experience—you cannot take me in. I have familiarized myself with all levels of the economy, especially during the period of reformations. That helps.

[Chukhnova] Yuriy Alekseyevich, what is your favorite song?

[Kustov] It is a song by an amateur composer, and it is not generally known:

Autumn has a yellow scarf on,

The evenings sing with gray sorrow,

But I will remember forever

Eyes that have splashed the sea.

And, generally speaking, I very often sing this song:

As soon as the spring morning peeps over Moscow—

Little by little, the clouds become golden....

In those words there is something rollicking, something fun!

[Chukhnova] What kind of temperament do you have?

[Kustov] It all depends on my mood. But in general I am a man of movement, of action. I do not like to sit in one place, and I hate monotonous work!

[Chukhnova] And what is your sign of the zodiac?

[Kustov] I have a very tenuous belief in horoscope predictions. As banal as it sounds, a person makes his own fate himself. The way Gemini is portrayed—I am not like that at all! No, I do not hold to the astrologists' predictions.

[Chukhnova] Yuriy Alekseyevich, if you were given a choice of countries or cities to live in....

[Kustov] I was born in Kostroma, but for all of my conscious life I have lived in Irkutsk Oblast—in Bratsk and Irkutsk. My wife lives in Bratsk even now. And I, in Irkutsk. As soon as the apartment question is resolved, I will name one city. But I will never leave Russia for any place. God forbid. My dreams and reality are here.

Novosibirsk Oblast Notes Decrease in Crime

954F2282A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 11 May 95 p 5

[Article by Irina Timofeyeva: "Petty Crime Is a Step to Grave Crime: Notes from a Meeting of the Collegium of the Oblast Administration of Internal Affairs"]

[FBIS Translated Text] More than 22,000 crimes were registered in the oblast over the four months since the beginning of the year, a decrease of almost 5 percent in comparison with the same period in 1994. Some 3,200 more crimes were investigated and taken to court.

A collegium of the oblast Administration of Internal Affairs [UVD] was held at the end of April, at which the results of the first quarter were analyzed. More than 70 percent of all crimes are of a property nature, and it

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seems this trend will be intensified. It is not necessary, it seems to me, to explain the reasons. There were 27 percent less robberies in comparison with the first quarter of last year, although the percentage of their investigation, as before, is not high—26.5 percent. The number of murders decreased by 22 percent (122 now, 157 in 1994) and grave bodily injuries—by 15 percent. There were fewer muggings and extortions.

At the same time, more of these crimes were investigated. But there is as yet no cause to talk about adequate crime-solving. Although, if you judge by the figures, the number of crimes solved increased by almost 18 percent, and about 60 percent of all crimes were investigated. On average in Russia this figure is 62.1 percent. Investigations increased by 77 percent in the sphere of economic crimes. Half of all cases were sent to court, compared to only one-fifth last year. This means that despite the holes in the law, experience is being gained in confronting swindlers under the conditions of our so-called market.

But in general, despite the trend toward decreasing crime here in our oblast, and throughout Russia on the whole, there is nothing to be happy about. Therefore it is no accident that one of the most important directions, which was discussed at the collegium, is the suppression of grave crime. Problems of operational-investigative activity were examined in detail. Substantial help can be provided by close ties with the population. Special operations will be conducted more frequently; for example, in the suppression of drug addiction and the highway racket—Trassa and others.

To understand the next direction of militia operations we will present, alas, the following well-known picture. A drunken head of the household, having drowned what was left of his mind and self- control in alcohol, grabs a knife, chases his wife and children, and shouts at the neighbors and people who are complete strangers. This could go on for years, or could end in an instant with someone's death. These "escapades" fall under Article 207 of the Criminal Code—threat of murder—but for some reason they have been referred to legislation on less important crimes. Forty such cases were initiated in the first quarter of last year, this year—180. This is not accidental. Crime along the line of the public safety militia increased by 46 percent. This, it can be said, is to a significant degree a planned increase, the result of the execution of tasks set by the leadership of the Administration of Internal Affairs. This kind of increase is achieved essentially owing to so- called insignificant crimes. It is as if a dual task is being performed: "Petty" law violations are being punished and serious crime is being prevented. That is, there is less and less impunity, which, as is known, is nourishing soil for grave crimes.

In the last quarter there were more violations of trade rules by a factor of five, more petty theft by a factor of three, 43 percent more illegal possession of firearms, more consumer deception by a factor of four, and 84 percent more forged documents were revealed. I have already talked about murder threats. So, special responsibility for what was talked about at the collegium is laid on the public safety service—Patrol-Post, State Auto Inspection, and district militia officers who are financed in significant measure from the local budget; that is, at the expense of our taxes. In addition, citizens must appeal to the militia even in a case of theft of a half empty purse. Well, if they are not received kindly there, there are higher structures. The telephone number of the press service is UVD 290-675.

The task for the public safety service naturally entails one that is closely related to it: professional training of all personnel. The UVD Training Center is being expanded and equipped. A so-called individual probationary institute is being introduced. For example, a young militiaman of the PPS [Patrol-Post Service] will gain experience among professionals of the OMON [Special Purpose Militia Detachment].

A new subunit has been established in our militia—the operational physical training and sports department. It is no secret that many specialists have left the militia, and so it is necessary to quickly create a special nucleus from among the younger people. The requirements will be made tougher. If you cannot cope—leave. The leadership believes it is better to have a vacant position than to have it occupied by a person who is poorly suited and trained for service in the militia.

There is one more aspect of crime. In the first quarter about 10,000 persons who had committed crimes were exposed. Of this number, 1,665 were minors, almost as many were women (a 4 percent increase), and about 1,000 were pupils and students. Four thousand, that is 40 percent, are persons who do not have a permanent source of income, including 288 officially registered unemployed persons, twice as many as last year. From 40 to 60 percent of the crimes, depending on the rayon or city and oblast, were committed by persons while drunk. Drug addiction is rising. So urgent measures on the part of the authorities are necessary in particular to regulate the alcohol trade, taking into account the sale of very dangerous substitutes. The militia submitted proposals to the oblast administration concerning the development of an all-round program. The main thing now is not to lose any time.

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Economic Issues

Ministry Ready To Submit 1996 Budget Guidelines

LD1705113795 Moscow INTERFAX in English 0914 GMT 17 May 95

[FBIS Transcribed Text] MOSCOW, May 17 (Interfax) — On Thursday the Russian Finance Ministry will submit to the government the guidelines of the 1996 budget policy worked out in keeping with the presidential message to the Federal Assembly and the government program of economic development for 1995-1997.

In keeping with ministry forecasts,financial stabilization in the middle of 1995 will allow a complete halt in inflation next year and reduce it to a monthly rate of 1%.

According to the estimates of the Finance and Economy Ministries, at the beginning of 1996 the actual gross domestic product (GDP) will amount to 98%-102% of this year's. The nominal size of the GDP in 1996 should be about 1,800 trillion rubles (1,450 trillion in 1995).

The deficit of the federal budget is expected to amount to 4% of the GDP, or 76 trillion rubles, if non-inflationary principles of covering the deficit are applied.

As for taxes, in 1996 the government is expected to cancel the special tax (1.5%+ to VAT) and the tax on excessive remuneration and simplify taxing for small businesses.

In 1996 financial support will be given to high-tech industries, oil and gas, metallurgy as well as several promising sectors of the economy, including advanced technologies.

The draft provides for continuing subsidies to agriculture and related industries at this year's level and the prolongation of a beneficial tax policy which will save farming 9-10 trillion rubles.

Finance Ministry experts suggest keeping the share of defense spending at the level of 1995 (21% of budget spending).

About $8.5 billion is to be spent in 1996 on servicing and repaying foreign debts, that exceed $120 billion.

Government's Budget, Stabilization Policy Viewed

LD1605174095 Moscow INTERFAX in English 1631 GMT 16 May 95

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — The Russian government has very good chances of ending 1995 with a deficit-free budget, director of the Economic Analysis Institute Andrey Illarionov said. He was speaking at the presentation of another Russian economic situation survey in Moscow Tuesday. He believes that inflation in the summer will be no higher than 3% per month and the exchange rate of the ruble will freeze at 5,000 rubles per dollar.

At the same time Illarionov said that the third quarter of the year may prove a stumbling block for the government's stabilization policy. The government hopes to start compensating for the main part of the 1995 budget deficit and will have to find about 10 trillion rubles from sources that will not push up inflation. If it fails, the International Monetary Fund in the fourth quarter will suspend its stand-by loan, which would push up the budget deficit to $2.5 billion.

According to the survey, the structure of the federal budget has improved fundamentally. In the first place, spending shrank to 14% of the GDP from 30% in 1994 and 1993. As compared with 1992 it is down by half. Monetary emission this year has totalled about 3.5 trillion rubles, whereas in the last months of 1994 the mass of cash has grown by 6%-8% a month.

The Central Bank of Russia has built up about $2.5 billion of hard currency reserves and shifted form the policy of devaluation of the ruble to the revaluation of the national currency aiming to encourage citizens to get rid of currency savings.

Illarionov said, however, that in spite of the financial stabilization industrial growth in Russia was still unlikely. Enterprises will have to take a serious blow from the full liberalization of the energy market. At the same time, delaying that liberalization would worsens the situation in industries which continue to demand subsidies and provoke abuse and corruption, Illarionov said.

Further on Economist's Remarks

MK1705101095 Moscow SEGODNYA in Russian 17 May 95 p 1

[Report by Aleksandr Bekker in the "Criticism" column: "The Budget Deficit Is Covered in the Old Way"]

[FBIS Translated Text] Andrey Illarionov, former economic adviser to Viktor Chernomyrdin and now director of the Institute of Economic Analysis (IEA), stayed true to himself yesterday: Speaking at a press conference, he threw a fly into the ointment of the government's upbeat recent statements. He noted that the Finance Ministry does not disclose full information for analysis and that "indirect methods have to be used to make the picture complete." According to Illarionov, things with the announced non-inflationary federal budget coverage are not as smooth as the government makes out. First, the Central Bank has after all allocated 3.5 trillion rubles in easy credits to the Finance Ministry in the first quarter. Second, of the remaining 6.5-trillion ruble deficit, only

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1.5 trillion was covered with short-term state bonds, which by any standards are recognized as state securities. Another 5 trillion rubles was met by T-bills, which, from the IMF's point of view, refer to monetary emission. "Therefore," the IEA director concluded, "virtually 85 percent of the deficit has been financed from inflationary sources."

Illarionov noted that the government, which expected a 6-percent inflation rate in April, reacted rather nervously to the official 8.5 percent. Hence the sharp moves by the Central Bank, increasing the commercial banks' reserve requirements; hence the Finance Ministry's proposals about a quarterly distribution of the budget and changes in the issue of securities. Illarionov himself sees the reason for the slow weakening of inflation in too high money supply growth rates in the fourth quarter of 1994 (6-8 percent a month). The lag between a tightening of financial policy and a slowdown of price growth has increased to six months. "We are now reaping the fruit of that policy," the IEA director said.

"When the government was talking about an end of the production recession, we were saying that an inevitable result of a stabilization policy will be the resumption of the industrial decline," Illarionov said. The analyst believes that his projection was corroborated by the fact that in March and April production volume began to fall. Furthermore, the institute director can see no evidence that the government has in fact liberalized the fuel and energy complex, as was claimed in a memorandum sent to the IMF. According to Illarionov, oil prices are growing very slowly, from $35 per tonne in January to $37 in April (36 percent of the world price level). Therefore the macroeconomic effect from the liberalization of the energy market simply could not manifest itself. "When the government indeed frees this market, the industrial and agrarian sectors of the economy will experience a price shock, which will definitely affect production volumes," the IEA director said.

Relenting toward the end of the press conference, Illarionov said that the Central Bank policy "is absolutely clear and predictable." He observed that it is unwise for the bank and the government to abandon the course toward stabilization of the ruble. The economist predicted that the rate will fluctuate around 5,000 rubles per dollar "for approximately six months, and with a tough monetary policy, until the end of the year."

Government Financial Austerity Plan Seen Failing

MK1605123095 Moscow SEGODNYA in Russian 16 May 95 p 1

[Report by Aleksandr Bekker: "The Government's Budget Resolve Springs a Leak"]

[FBIS Translated Text] It will apparently be a long time before the budget process in Russia becomes a routine business, i.e., interesting only to a narrow circle of specialists. A month and a half after parliament adopted the 1995 budget law, a heated debate flared up at a 4 May government session: Sectoral departments were trying to charge the Finance Ministry with botching up the financing of their enterprises in the first quarter. Vladimir Panskov defended his department to the best of his ability; Viktor Chernomyrdin demanded that his ministry as well as the tax services ensure tight control over budget execution. The Cabinet of Ministers staff immediately got down to drafting a corresponding resolution but, the document not being ready, the government met again 11 May to discuss the introduction of changes and additions to the federal budget.

The fuss and jitters in the White House leaped to the eye. The Finance Ministry hastened to report in a press release that only scheduled adjustments were involved: "No basic or substantial changes or amendments will be made," the finance minister said. Nonetheless this did not kill the impression that "something was happening" around the budget. Why did Panskov suddenly begin to talk about the need to present a quarterly federal budget expenditure financing plan to the government and then have it approved by legal enactment? It will be recalled that when in fall 1994 the State Duma insisted on this, the government refused to break it down by the quarter because that would narrow the possibilities for financial maneuver during the year. Now it appears that the Finance Ministry itself wants to use the deputies' votes to lay down some parameter figures and thus hedge expenditures against anybody's encroachments.

The situation must be rather serious if Panskov is no longer happy with presidential Edict 226 "On Measures To Tighten Financial Discipline in Executing the 1995 Federal Budget." As is known, this document built a double ditch, as it were, which defended budget revenues and expenditures against the lobbyists: To recarve these articles, a simultaneous "go-ahead" by the president and the government was needed. Since 28 February — the moment the edict was signed — scanty information has been filtering through from the White House that the government is still coming under formidable pressure. As one highly placed official joked, "We fully support and approve Edict 226, but we request

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that an exception of 50 billion rubles be made to our labor collective."

It is difficult to draw a complete picture amid the Finance Ministry's secretiveness, but even now one can talk about some budget gaps. Having lost the official preferential centralized credits, the agrarian lobby attacked the budget from the rear: Appropriations for agriculture in the first quarter constituted 2 trillion rubles against the 1 trillion rubles envisioned in the budget. Judging by a phrase at the government session uttered by Panskov, who demanded that "the distribution of returnable loans to enterprises and regions from the treasury be stopped," it can be surmised that such activities proceed outside the framework of scheduled expenditures.

The budget has apparently sprung a leak. A "hole" has also been breached in the investment program. The Economy Ministry has set aside 1.3 trillion rubles in the budget to give an impetus to private projects which are planned to be financed according to the following scheme: One ruble by the state is added to four rubles of private investments. This idea in effect fell through: Even in the first quarter, 930 billion rubles from the above sum was easily given to industrial enterprises in the form of preferential credits on a 100-percent annual interest rate. Only God knows which enterprises have obtained these funds, for what deserts, and via what people "at the top."

It is anybody's guess how much the fighting in Chechnya has cost by now or where the funds will be coming from when the assigned budget expenditures are spent up on the Defense Ministry and the sectoral ministries, which at the same time destroy and rebuild the republic's territory.

In this situation one can understand the state Finance Minister Panskov is now in: His position obligates him to look ahead a little farther than today. It is clear that receipts from privatization are a drop in the ocean; that although T-bills are being sold, their sales volumes put in question the annual receipt figure of 32 trillion rubles. It is also clear that the tax services have picked up compared to last year; they collect only 88 percent of projected tax revenues. Given that expenditures will also begin to be pilfered by bits, the situation will be really desperate.

The outlook is such that under a recent government decree, it was decided to drop from the program documents the point about "the inadmissibility of granting subsidies from the federal budget to debtor enterprises that can be deemed bankrupt." The Economy Ministry and the Federal Administration on Bankruptcy were ordered to provide substantiation for allocating budget assistance to those deeply in the red. Such surprises can cause any finance minister to faint. And Panskov apparently wants to take precaution against them with a law on the quarterly budget plan.

Last year, having squeezed inflation a little, the White House calmed down, became more generous, and... slipped back into its old ways. "I await fall with misgivings," said Aleksandr Livshits a few days ago. "The Finance Ministry will have to settle debts, issue seasonal credits; in a word, there will be an enormous dumping of money in the economy." Everything seems to be repeating itself; we are falling into a vicious circle.

Bank Consortium Bid Sparks In-Fighting

MK1605105095 Moscow SEGODNYA in Russian 16 May 95 p 2

[Report by Natalya Olenich under the "Memorandum" rubric: "Banks Consortium Gets Preliminary Satisfaction. The Government Is To Find Out Who Is a 'Free-Loader,' Who Is a 'Partner'"]

[FBIS Translated Text] A memorandum signed 12 May by Sergey Belyayev, chairman of Goskomimushchestvo [State Committee for the Administration of State Property, GKI]; and Vladimir Poltanin, head of EKSIMbank, does not so much draw a line under the government's 1.5-month mulling of the question on whether it should or should not accept the credit proffered by the bankers — and if it should, on which terms, as it raises a host of questions. It is not quite clear why the answer to the consortium's offer, which the cabinet has been delayed for so long, followed right on the heels of the presidential edict which tasks the government with developing rules, within two months, for turning over state-owned blocks of shares in trust of corporate bodies.

It has come to light from informed sources that the memorandum has caused extreme displeasure in people connected with the development of these rules. Sergey Belyayev, at a sitting of the "Russian Business Roundtable" 11 May on the eve of the signing of the memorandum, stated that the bank consortium offer had been agreed with the GKI and used by this department in order to gauge the reaction of public opinion and representative power — if the memorandum would be interpreted as weakness on the part of the government, forced to turn for financial help to private companies. True, there is yet another version: Although the consortium did consult the GKI, its public announcement came rather as a surprise to the consultants themselves.

The GKI head uttered not a word 11 May about the upcoming signing on 12 May of a document confirming an agreement in principle with the bank consortium's

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terms. Quite the contrary, if one is to follow the logic of what he said at the "Roundtable," the signed memorandum should be seen only as a preliminary document paving the way for other similar offers.

One of the likely reasons for the hasty signing of the memorandum was the desire to iron out the negative attitude to the banks' offer on the part of a number of influential personages. Whereas Finance Minister Vladimir Panskov raises objections only against some individual points of the projected deal, Vladimir Zantsev, head of the government group of experts, simply stated that it is unacceptable as it paves the way toward selling the blocks of shares to Western companies.

The more than critical attitude to the deal on the part of some prominent Duma figures is also known, in particular that of Sergey Burkov, chairman of the Committee on Property, Privatization, and Economic Activity. True enough, according to specialists working on the terms the government is going to put forward to the consortium (they are to form the basis for a presidential edict), it would not be possible to block the transfer of packages of shares on the grounds that the terms are at variance with the legislation. As for the planned attempt by some deputies to come forward with a statement on the inadmissibility of such a deal, it would have the same effect as did the law that passed first reading in the Duma on halting the privatization of Public Russian Television, which continues to function despite all Duma bans.

It would be possible to halt the process of turning over in trust packages of state-owned shares if the exchange followed the principle of a "sack" (of shares) for a "sack" (of money). The documents being developed in the bowels of the GKI, according to Mr. Burkov, call for various "boring procedures sufficiently arduous for both sides but guaranteeing a normal legislative routine." A competition procedure may be offered. Although, in the view of Grigoriy Tomchin, chairman of the Duma Committee on Property, Privatization, and Economic Activity subcommittee, "There can hardly be anybody in addition to the consortium able to take part in it because very big money is involved." Mr. Tomchin also voiced doubt that "all the banks making up the consortium will participate in this project when it comes to putting up or shutting up." To hear him say it, it is unclear yet "who can be real partners of the government and who were just bluffing."

Having signed the memorandum with the consortium, is Goskomimushchestvo bluffing or is it merely sounding out the reaction to the upcoming presidential edict on trust management — or is it guided by some other reasons (according to well-informed sources, the memorandum was actively lobbied by Oleg Soskovets) — all will most likely become known in a couple of weeks after the document has been considered at a government sitting.

It is, however, obvious that — wiser after the disastrous results of the monetary privatization during the first quarter — Goskomimushchestvo is beginning to look for new approaches to carrying it out. In particular, Sergey Belyayev rather favorably treated the proposal made at the "Russian Business Roundtable" sitting by Vladimir Semago, member of the organization's presidium and a Communist Party of the Russian Federation deputy, on the joint development by GKI specialists and entrepreneur-deputies a draft law calling for attracting private companies to the administration of state property on a contract basis. Vladimir Semago, communist and entrepreneur, not unfavorably noted in his turn that "the GKI has opted for the correct position and is demonstrating the intention not only not to squander state property, but is trying to administer it by enlisting for that purpose the services of intelligent and professional people."

Officially Calculated Wages Said To Fall by 25%

MK1705095095 Moscow SEGODNYA in Russian 17 May 95 p 4

[SEGODNYA report: "Average Pay in Russia Falls From $100 to $72"]

[FBIS Translated Text] According to the Center for Economic Reforms under the Russian Federation Government, [monthly] wages in Russia, in dollars, which were above the 100 mark in some months last year, fell between November 1994 and March 1995 from $87 to $72. The population's real income level is now around 6 percent down from last year's. Government experts note that the contrary tendency was observed last year, with people's incomes going up.

The dynamics of wages in Russia are different from their changes in the other post-socialist countries of Europe. For example, in Hungary, Poland, and the Czech Republic, the past four years have seen a steady rise in wages, which are several times higher than in Russia. At the same time, the official figures hardly reflect the true difference in people's incomes in Russia and the other East European countries. The gap may not be as wide considering a considerable amount of shadow income in the Russian economy.

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Indexing 1991 Savings To Cost R372.5 Trillion

MK1605135095 Moscow SEGODNYA in Russian 16 May 95 p 1

[Unattributed report: "Indexation of Russians' Savings Will Require 372.5 Trillion Rubles"]

[FBIS Translated Text] The indexation of Russian citizens' savings, a decision on which has been approved by Russian President Boris Yeltsin, will require over 372.5 trillion rubles. According to the Economy Ministry, "the repayment of such a debt in cash is out of the question because the budget expenditure does not exceed 246 trillion rubles." About 2-4 trillion rubles will be appropriated in cash to repay the debt to "senior citizens." All the rest will be given the state's debt obligations. Other methods of paying off state debts are also being considered, including by converting this money into investment.

New Tariff To Push Up Prices, Stifle Imports

MK1605104095 Moscow KOMMERSANT-DAILY in Russian 16 May 95 pp 1, 2

[Report by Vadim Bardin, Tatyana Korotkova, and Konstantin Levin: "New Tariff. Import Comes and Goes While the Budget Stays On"]

[FBIS Translated Excerpt] The new imports tariff that goes into effect by government decree as of 1 June (affecting the raised rates, with the others having been in effect as of 10 May) bears close resemblance to a puff pastry. It looks innocuous on the face of it: the average import rate has gone up from 11.4 percent to 12.5 percent (Vice Premier Oleg Davydov's assessment). In reality, the tariff compilers' numerous novelties will result in imports of popular items going up in price virtually across the board. If one considers the fallout from the recent elimination of tariff benefits and the new value-added tax on food imports (10 percent), prices of imported commodities will go up at least 20 percent net. Clearly, Russian commodities will follow suit. [passage omitted]

The object of the conflict surrounding the import tariff is plain. The choice has been made in favor of the budget and the protection of domestic producers while those who suffer are both importers (directly) and exporters (the new tariff may delay Russia's joining GATT/WTO, meaning that Russian exporters will end up unprotected in the face of restrictive procedures used against them.) Optimists believe the new tariff will swell the federal budget by $500 million a year. [passage omitted]

One should consider as a gem of the new tariff the considerable extension of the list of goods now affected by the combined rate. Added to automobiles and alcohol have been audio and video equipment, clothing, knitwear, leather goods and so on. The developers have been most ingenious and merciless to car importers. One would believe that the rate has been reduced from 40 percent to 30 percent. The "buts" begin, as they say, after the comma, where the minimum size of the import duty in ECU's is shown. For example, under the old tariff the minimum permissible size of import duty for a foreign car with a 2,000-cc engine was 400 ECU's. Now they count every cubic centimeter of the engine. Thus the import duty per each car should be at least $2,800 (this is not counting the excise duty, value-added tax, and a special tax). [passage omitted]

The new tariff will hardly increase the amount of Russian imports, hence the expectations of more pickings for the budget may not be justified. The burden on importers through raising the tariff is unlikely to be the last. The government is nurturing plans to restrict imports numerically. This is supposed to be the job of a commission on protective measures in foreign trade, and this type of regulation by injunction becomes legal by a law "On State Regulation of Foreign Trade Activity," which the Duma has forwarded to the Federation Council. [passage omitted]

Federal Tax Police Report Successes

MK1605074095 Moscow NEZAVISIMAYA GAZETA in Russian 16 May 95 p 1

[Report by Vasiliy Nikolayev under the "Finances" rubric: "1.8 Trillion Rubles Have Been Contributed to the Budget. Tax Police Reports Its Successes"]

[FBIS Translated Text] In the first quarter of 1995, federal tax police organs uncovered about 5,000 violations of tax legislation on the part of legal persons, of which over 2,000 cases deal with large and very large amounts of money. The tax police have succeeded in uncovering over 1,400 legal and natural persons, engaged in business activities, who have not been registered at state tax inspectorates and, in this way, have evaded taxes. Over 3,600 persons who have been hiding from tax authorities because of nonpayment of taxes have also been found. Over 760 criminal cases have been initiated for tax-related crimes. In addition to legal proceedings, the violators have also been subjected to financial and administrative sanctions.

As a result of cooperation with state tax inspectorates, some 1.8 trillion rubles (as compared with 3.8 trillion in 1994) have been contributed to the budget.

These results are better than those observed last year, which is largely due to the activation and expansion of tax police organs' activities and, hence, a higher rate

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of disclosure of tax crimes. Another important indicator should also be mentioned — only 0.72 percent of the total number of sanctions imposed on violators have been successfully disputed in court.

Labor Confederation Eschews 'Extremism'

954F2275A St. Petersburg NEVSKOYE VREMYA in Russian 11 May 95 p 1

[Interview with Viktor Nekrasov, president of the Labor Confederation, by Yuliya Kantor in Moscow; published under the "First Hand" rubric: "Viktor Nekrasov, President of the Labor Confederation: To Strike Means To Work According to the Rules"]

S Translated Text] [Kantor] Viktor Ivanovich, the Labor Confederation is a public association of trade unions that did not take part in the protest actions of 12 April. How do you explain such disunity?

[Nekrasov] You see, the action you are talking about was aimed at asking the government for money once again, which we did not do and do not intend to do. Trade unions should not ask, they should demand, and if these demands are not satisfied—strike. It is now pointless to demand money from our government: Such actions amount to "pulling the blanket" onto yourself and do not really change anything. The Confederation includes independent trade unions of miners, dockers, and air traffic controllers—a total of more than 200,000 persons. We have never had anything in common with such organizations as the Federation of Independent Trade Unions of Russia [FITUR], which was the principal organizer of the 12 April action and other similar actions. The reason for this is their open extremism. I categorically will not accept the prospect of socialist redistribution that is so dear to the hearts of the leaders of these structures. Indeed, in general, except for the slogan "Down with," FITUR does not offer anything.

[Kantor] What prospect is dear to the heart of your like-minded supporters?

[Nekrasov] The Labor Confederation is for market reforms and the demonopolization of the state in the production sphere. The private employer is afraid of strikes in his enterprise, inasmuch as they threaten him with bankruptcy. But the state functionary will receive his wage in any case. It is no secret to anyone that many enterprises, as before, are managed by "Red directors" who dream of returning to the past. It is much more convenient for them to hire an artist to draw placards for antigovernment demonstrations than to actually work.

There is a permanent nonpayment crisis in the country. The government's indebtedness to VPK [military-industrial complex] enterprises is only a small quantity. But the main money circulates in shady structures and does not reach hired workers. And, in our opinion, our legislation helps in this respect.

[Kantor] Under what conditions does the Labor Confederation accept a decision to strike?

[Nekrasov] The Confederation has trade unions of workers of the technical sphere, in which strikes are prohibited by law. Therefore, we will not support an open strike. The so-called Italian variant is realistic for us: We will begin to work according to the rules. Then not one ship will leave the docks, not one aircraft will take off. After all, today, for example, it is impossible to provide one ship with official table of allowance supplies that are necessary to comply with equipment safety norms. Consequently, its crew has the right not to go to sea. The Labor Confederation will support this kind of "slackening" if its members are convinced that nothing else can be expected and that market reforms have ended.

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International Affairs

National Security Official Views NATO Membership

LD1505183095 Kiev UNIAR in Ukrainian 1530 GMT 15 May 95

["News Conference by Volodymyr Horbulin" — UNIAR headline; from the "Media Digest" feature; news conference first broadcast by Kiev UT-1 Television Network in Ukrainian at 1840 GMT on 13 May]

[FBIS Translated Excerpt] Secretary of the National Security Council Volodymyr Horbulin held a briefing at the presidential administration. He had been closely involved in the preparation for U.S. President Bill Clinton's visit to Ukraine and took part in the meetings and negotiations during the Kiev summit.

V. Horbulin: [passage omitted] We continue to believe that NATO remains a key foreign policy issue. It is a complex equation, a multipurpose equation, and the functional dependency here cannot be determined by the existence of two or three states, it cannot be only NATO and Russia, NATO and Ukraine or Ukraine and Russia. There are limited conditions imposed here, requiring a thoroughly balanced approach in order to solve this equation.

As we see, NATO today reveals itself as a deterrent, a factor of stability in Europe, therefore it would be premature to treat it indifferently, ignore its possibilities or, on the other hand, rush madly for it as the former Warsaw Pact countries do. That is why, seeing the main purpose of the collective European security structure, we, in our plans, do not rule out the possibility of today's NATO becoming its basis.

In this respect we have proposed a new model for building relations between NATO and other states. We see that a different formula can be adopted, and it seems to us that the formula 1-1 (NATO as a unit, Russia, NATO as a unit, and Ukraine) can promise much more active coexistence than the 16-1 formula.

That is why, considering that Russia expressed its wish to find a place within NATO and has not given up this wish, we have found it possible to propose a formula which would allow Ukraine, too, to claim a special relationship with NATO. During the negotiations, the U.S. side spoke highly of Ukraine's constructive attitude toward NATO.

I think the U.S. side saw interesting and constructive approaches within this plan, ones which could form the basis of not only the relationship between Ukraine and NATO, but also that between Russia and NATO.

We said that we had no specific bias against NATO's possible expansion, and our president yet again expressed his clear view that while nobody had the right to veto this or that country's entry to the alliance, there are certain time limits, and evolution should prevail in such forms of potential military and political alliances. Clinton agreed with that.

We said that in order to make this process reciprocal, there should be ways of building up trust in each other. The first and main way is that of mutual consultations which today are virtually non-existent.

We proceeded from the premise that the doors of NATO should be open to all. May be if that were the case the element of mistrust existing today would be reduced. But, most importantly, this would result in a common search for a single structure of a collective security system. [passage omitted]

Udovenko: Views on CIS Integration Shared

LD1605153095 Kiev UNIAN in Ukrainian 1200 GMT 16 May 95

[FBIS Translated Text] Minsk — There are no differences of opinion between Ukraine and Belarus on the areas of integration with Russia and other CIS countries, Ukraine's Foreign Minister Hennadiy Udovenko said at a news conference on 16th May commenting on the results of his visit to the Republic of Belarus.

In an assessment of the results of the Belarusian referendum, the Ukrainian foreign minister noted that they confirm that the people of Belarus approve of the president's policies.

According to the Ukrainian foreign minister, Belarusian President Alyaksandr Lukashenka confirmed the policy of good relations with Ukraine.

As a result of the trip to Belarus, the deepening of cooperation between Ukraine and Belarus was discussed and individual political, trade and economic, scientific and technical, and military problems were ascertained. A treaty on friendship and cooperation between the two countries was also initialled.

As of today, 40 agreements have been signed between Ukraine and Belarus and another 14 are in the process of being drawn up. According to Hennadiy Udovenko, they will be prepared in time for the forthcoming visit to Belarus by the Ukrainian president, the date of which is being clarified.

In Hennadiy Udovenko's view, the delimitation and demarcation of borders has a particular significance and both Ukraine and Belarus have quite a flexible approach to this problem.

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At a news conference, Belarusian Foreign Minister Uladzimir Syanko noted that the process of delimiting and demarcating the state border between the two countries is currently taking place. As of today, 295 out of 350 topographical maps have been agreed.

He also stressed that the most important thing is that "there are no territorial claims or territorial disputes between our two countries on this score."

Official: No 'Euphoria' Over Clinton Visit

LD1605143995 Moscow INTERFAX in English 1228 GMT 16 May 95

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — Ukraine joining NATO in any form is not on the agenda, counsellor for the press of the Ukrainian Embassy in Russia Vladimir Dolganov told a news conference in Moscow on Tuesday [16 May].

He said that during the recent visit to Kiev by U.S. President Bill Clinton "under discussion was Ukraine's cooperation with NATO, its participation in the Partnership for Peace Program, not its membership in the North Atlantic alliance."

Dolganov said that "the U.S. president's visit had not caused euphoria in Kiev."

"Under discussion was the strengthening of cooperation between Ukraine and the United States in the economic and political spheres. The work is difficult, but successful," said the diplomat.

He said that this was the first visit by the U.S. president to Ukraine. "In this is the visit's importance," said Dolganov.

Ministry Official Hails U.S. 'Changed Perception'

WS1705084195 Kiev UKRINFORM in English 0648 GMT 17 May 95

[From the "Current Events" feature]

[FBIS Transcribed Text] On Tuesday, May 16, Ukraine's First Deputy Foreign Minister Borys Tarasyuk held a briefing for journalists at the Foreign Ministry in Kiev.

As Mr. Tarasyuk stressed, U.S. President Clinton's visit to Kiev once again testified to the U.S. Administration's changed perception of Ukraine, which is presently viewed by the United States as an important European partner called to play a crucial role in Europe's future of U.S.-Ukrainian relations.

Mr. Tarasyuk singled out that section of the joint statement which specifies that such internal problems as Crimea should be solved politically, through negotiations, in accordance with human rights and OSCE principles demanding due respect for any system of security.

According to Mr. Tarasyuk, during the U.S.-Ukrainian summit in Kiev the two presidents raised virtually all issues of mutual interest which included both bipartite relations and international problems, such as NATO's eastward extension.

As the Ukrainian diplomat said, the summit's major result is reflected by the joint statement, which outlines basic salient points sovereign state's territorial integrity and border inviolability.

According to Mr. Tarasyuk, President Kuchma informed Bill Clinton in great detail about the latest political developments in Ukraine, in general, and in Crimea, in particular. Ukrainian Deputy Foreign Minister Kostyantyn Hryshchenko, who attended the briefing, spoke about the Nuclear Non-Proliferation conference at the UN Headquarters in New York, which was attended by the delegations from 175 nations, Ukraine included, and which focused on prolongation of the Nuclear Non-Proliferation Treaty.

UK's Clarke Promises Aid to Crimean Tatars

LD1605155395 Moscow ITAR-TASS in English 1525 GMT 16 May 95

[By Lev Ryabchikov]

[FBIS Transcribed Text] SIMFEROPOL, May 16 (Itar-Tass) — Visiting British Chancellor of the Exchequer Kenneth Clarke met leader of the Crimean Tatar majlis Mustafa Dzhemilev and his deputy and member of the Crimean parliament Refat Chubarov here today.

The majlis representatives said that the final return of Crimean Tatars to their motherland needs a legislative basis that has not been formed in Ukraine, economic support and political stability on the peninsula. In their words, 350,000 Crimean Tatars have returned to the Crimea, some 110,000 of them are not accommodated. A total of 46,000 of the repatriates are jobless.

In his turn, Clarke assured the Crimean Tatars of British economic aid.

The British official had negotiations with Crimean Prime Minister Anatoliy Franchuk. The latter told a news conference upon the negotiations completion he offered various projects to British experts-starting from joint development of oil and gas deposits through British participation in development of Crimean resorts.

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Visit Heralds Oil Industry Cooperation

LD1605213295 Kiev UT-1 Television Network in Ukrainian 1800 GMT 16 May 95

[FBIS Translated Text] Today British Chancellor of the Exchequer Kenneth Clarke continued his business visit to Ukraine in Crimea. Our correspondent has the report:

The highly esteemed guest was met at Simferopol airport by Crimean Prime Minister Anatoliy Franchuk and heads of ministries and departments. Girls in national Ukrainian, Crimean Tartar, and Russian dress welcomed the guest of honor with traditional bread and salt.

Meetings at the Crimean government examined the prospects of investing British capital and some of the most advanced technologies in the development of the oil and gas complex, agriculture, and processing industries.

A meeting with the Crimean Tartar People's Majlis leadership cenetred on the future of the indigenous population and help to return them to their ancestral land. Mr. Kenneth Clarke pledged assistance from the financial might of the G7 nations.

At Tavrida, a floating drilling platform, Kenneth Clarke was introduced to the substantial potential of the Chernomornaftohaz Black Sea Oil and Gas state production association, whose director-general, Mykola Ilnytskyy, and the head of the British company DKX, Mr. Robson, spoke about the future of further joint activity to process gas, gas condensate, and oil extracted by Chernomornaftohaz on the north-western shelf of the Black Sea at the same time as successfully prospecting for gas and oil in the Ukrainian sector of the Black Sea and Azov Sea continental shelf and operating offshore and onshore gas deposits in Crimea.

The result of the business meeting at sea on the Tavrida platform, 70 kilometers off the coast of Crimea, is this: there is no doubt that Ukraine jointly with British technological and financial potential will now step up prospecting work on the Ukrainian shelf, building stationary marine platforms and underwater gas pipelines, radically raising output, and maximizing the (?productivity) of gas, gas condensate, and oil deposits. This gives grounds to believe that our country will be able to produce up to one billion cubic meters of gas in as little as five years.

Udovenko Returns From Minsk, Views Talks

LD1605201795 Moscow INTERFAX in English 1842 GMT 16 May 95

[FBIS Transcribed Text] KIEV, May 16 (Interfax-Ukraine) — CIS Executive Secretary Ivan Korotchenya is to meet Russian President Boris Yeltsin and Prime Minister Viktor Chernomyrdin in Moscow May 17 in order to definitely fix the date for the next CIS summit, Gennadiy Udovenko, the Ukrainian foreign minister, told reporters. Udovenko returned home Tuesday after a two-day official visit to Minsk where he met with Korotchenya. The date of the Minsk CIS summit was preliminarily set for May 26.

The foreign minister said the Ukrainian side "gives a positive assessment to the talks with Belarusian leaders and their really strong desire to strengthen ties with Ukraine."

Udovenko refused to comment on the consequences a customs union between Belarus and Russia could have for economic cooperation between Ukraine and Belarus, saying an expert analysis was needed to draw the final conclusion.

Aircraft Violates Border, Returns to Slovakia

AU1705111795 Kiev HOLOS UKRAYINY in Ukrainian 12 May 95 p 1

[Unattributed report: "An Unidentified Aircraft Has Violated the Ukrainian-Slovak Border"]

[FBIS Translated Text] The day before yesterday [10 May], near the Transcarpathian settlement of Malyy Bereznyy, there was an unusual violation of the Ukrainian-Slovak border. A border detail of one of the outposts saw a light-engine yellow plane crossing over into our territory at an altitude of about 500 meters. Local residents, who worked in the field, also observed the "air pirate."

An emergency group was sent from the outpost along the trespasser's approximate route. As was later revealed, the unwelcome guest had continued its flight over our territory for 3 km and then returned to Slovakia.

The neighboring country was advised about the violation of the Ukrainian border by the unknown aircraft. The Slovak border guards agreed that this had indeed taken place.

A group of officers headed by the chief of staff of the Mukachevo border guard detachment investigated the event on the spot.

National Affairs

Minister: 'Lost Territories' Issue Poses 'Danger'

LD1605204495 Moscow INTERFAX in English 1842 GMT 16 May 95

[FBIS Transcribed Text] KIEV, May 16 (Interfax-Ukraine) — The issue of "lost territories" quite reason-

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ably worries Ukraine, and not only Ukraine. Ukrainian First Deputy Foreign Minister Borys Tarasyuk told a briefing in Kiev Tuesday [16 May].

Both the post-war reconstruction and the Helsinki 1975 Final Act stipulated the status quo in Europe. Any attempts to review the borders and return to the subject of lost territories will bring nothing but big trouble to anyone, he added.

According to Tarasyuk, "attempts to fan separatism in neighboring countries and those to return lost territories pose an immense danger."

Asked about the present state of relations between Ukraine and Romania, Tarasyuk remarked that the two countries "continued talks and preparations for the two presidents' meeting." The summit is expected to produce a large-scale Ukrainian-Rumanian treaty, "designed to fix the borders," as Tarasyuk put it.

A Ukrainian delegation headed by a deputy head of the Ukrainian Foreign Ministry's contractual and legal department, Sergey Mescheryak, will leave for Bucharest on May 17 to negotiate the "very delicate" issue of bilateral border.

"I would not like to comment on how the talks are going on. The main thing is that they do go on. And they have a goal," he added.

Kravchuk: Parliament, President Must Reach Agreement

LD1605143295 Moscow INTERFAX in English 1228 GMT 16 May 95

[FBIS Transcribed Text] KIEV, May 16 (Interfax-Ukraine) — Ukraine's ex-president Leonid Kravchuk believes that the parliament should consider the possibility of signing a constitutional agreement between the president and the Supreme Council, determine its status and devise a mechanism for adopting it.

In comments on the possibility of signing such an agreement, whose draft parliament factions are now writing, he said: "This is an absolutely new issue mentioned neither in the Constitution, nor in legislation or declarations." "To adopt it we must work out the necessary procedure and powers," Kravchuk said.

"I will never support what is done through the back door," Kravchuk stressed. "A few deputies cannot represent parliament as a whole or speak on its behalf," he added.

Nevertheless Kravchuk agrees that "today the president must enjoy such power that would enable him to carry out reforms."

"I have never had doubts on this score, but I believe that power must be won by lawful means," he pointed out. "If the Supreme Council cannot resolve this problem, the issue should be submitted to a referendum," he noted.

All non-leftist parliamentary factions are continuing to work on a draft agreement to be signed between them and Ukraine's president. The draft will provide for clearly dividing authority between the branches of power in accordance with 56 articles of the draft bill on power adopted by the conciliatory presidential-parliamentary commission.

Deputies Outline Steps for Emerging From Crisis

AU1705104395 Kiev HOLOS UKRAYINY in Ukrainian 13 May 96 p 3

[Statement by Supreme Council deputies groups of centrist orientation on the sociopolitical situation in Ukraine; place and date not given]

[FBIS Translated Text] The economic and social crisis in Ukraine is worsening. Production is on the decline, the population's standard of living is deteriorating, and the Ukrainian karbovanets is losing its value. The government has not been formed, the lack of understanding between the president and the Supreme Council chairman intensifies, the Constitutional Court has not been created, and crime and corruption have acquired unprecedented scope.

There is every reason to speak about indications of a **comprehensive crisis in the state**:

— **institutional crisis** that affects the foundations of the obsolete command economy;
— **structural crisis** generated by the one-sided orientation of the country's industry and by the neglect of the sphere of services;
— **internal economic crisis** due to the disorganized character of our balance of payments and disruption of the former economic relations;
— **crisis of the finance and credits system** due to the state's uncertain economic orientations, high inflation, and delay in the implementation of the monetary reform;
— **crisis of power structures** as a consequence of the absence of a distinct division of powers between the legislative and executive branches of power.

The political confrontation in the Supreme Council has long prevented the implementation of radical economic transformations, and the comprehensive crisis in the state may become chronic and prolonged because state interference into the economy no longer plays a decisive role and the market does not yet function.

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All of this makes it essential that the president, Supreme Council, political parties, movements, and public organizations more thoroughly analyze the negative processes that are in progress and take concerted and urgent measures.

Under the present conditions, we find it necessary, first and foremost, to do the following:

— To speed up the adoption of the Law on Power, where alongside determining a distinct vertical structure of the executive power, it is necessary to create a reliable constitutional counterbalance between the Ukrainian president and Supreme Council;
— To create, as soon as possible, an efficient government made up of highly skilled specialists and to eliminate parallelism in the work of the presidential administration and government, which should be headed by the president;
— Proceeding from the presidential address to the Supreme Council and the adopted budget, to submit to the consideration of the parliament a program for governmental actions for the year 1995 aimed at renewing production and the system of social guarantees for the most impoverished strata of the country's population. This program must be distinct and understandable for everybody;

While in office, Supreme Council Chairman O.O. Moroz must give up his duties as chairman of Ukraine's Socialist Party so that he can be free of influence of party decisions on the work of the parliament and that healthy forces in the Supreme Council can consolidate;

— The Ukrainian president must exercise more restraint with regard to the Supreme Council and must not initiate the holding of referendums or plebiscites that, in conditions of the enormous hardship and social tension, will not produce desirable results either for the president or Supreme Council, but will only intensify the power crisis and may lead to the loss of control in our society;
— heads of political parties, movements, and public organizations must refrain in 1995 from actions that may result in a social explosion and must consider a possibility of signing, for a certain period of time, a national accord charter.

We propose that the president and chairman of the Supreme Council regard this statement as yet another step toward preventing undesirable actions from developing in society and toward reconciliation among leaderships of different branches of power.

[Signed] From deputies groups:
"Independent" — V. Hetman, V. Landyk, V. Semynozhenko, V. Symonenko, M. Karnaukh;
"Interregional Deputies Group" — G. Samofalov, A. Tatarinov, G. Rychahov, and O. Stepanov;
"Unity" — V. Merkushov and A. Moskalenko;
"Center" — A. Buteyko;
"Agrarians of Ukraine" — S. Dovhan.

Moroz Parliament Speech; Opposition Protests

LD1605112195 Kiev UNIAN in Ukrainian 0940 GMT 16 May 95

[FBIS Translated Text] Kiev — Today, there are three ways which the executive and legislative power structures can follow in reforming the state, said Supreme Council Chairman Oleksandr Moroz in his address to people's deputies on the anniversary of the current Ukrainian parliament. One way, he said, is to promote radicalism in society and encourage confrontation between the two power structures; the second - to maneuver and impose one's policy through political forces to achieve one's goal; the third way is that of compromise, mutual concessions, especially while trying to overcome the economic crisis, implementation of consistent comprehensive reforms, and preparation of a democratic constitution. The speaker said that the first two ways are being "imposed by certain forces within the executive power structure and some of the parliament deputies," while he favors the third way. According to Moroz, it requires renunciation of plans to hold a plebiscite or referendum, which he described as an "undesirable gamble," "suicidal for statehood." He called on both the executive and the legislative power structures to recognize each other's powers unconditionally.

Moroz said that within a month, it is necessary to form a new government and approve its program of actions, adopt the law on power, put the law on wages into force, and form the Constitutional Court no later than June 1995. He also stressed the need to simplify the procedure for joint action between the president and the Supreme Council until the end of 1995. Moroz urged parliament to pass legislation on political party activities and opposition in Ukraine during March-April 1996.

The Reforms, Statehood, and Rukh factions protested against Moroz' address, calling it a "deception." They said it had been announced as a message of greeting from the chairman, but turned out to be a political speech.

Crimean Team Returns From Talks; Tsekov 'Ill'

WS1605115995 Kiev INTELNEWS in English 2233 GMT 15 May 95

["Special to INTELNEWS" by Lilia Bujurova]

[FBIS Transcribed Text] Simferopol, May 15 — A Crimean Parliament delegation returned from Switzer-

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land on Monday, where it worked to resolve the Crimea-Ukraine dispute at an Organization for Security and Cooperation in Europe round table.

Andreas Kolschuetter, OSCE mission in Ukraine chairman and Max van der Stool, OSCE ethnic minorities supreme commissar, chaired the meeting. Crimean Parliament Speaker Sergey Tsekov headed the Crimean delegation.

Tsekov said he was still certain "the international community supports him." He also told journalists he could not accept the invitation of Ukrainian Parliament to meet with him, because of illness.

"The OSCE is very concerned about the situation in Crimea, but the organization believes Ukraine will manage to solve the problem," said Ihor Ivanchenko, Crimean Deputy Prime Minister. "The Crimean participants of the round table emphasized in their speeches 'there is no ground to define the Crimean situation as a hotbed, all problems can be solved by political ways.'"

Anushevan Danelian, an opposition leader in Crimean Parliament, said Tsekov had tried to convince the OSCE that Ukraine's relations with Crimea violated international laws but his attempts failed.

"The round table has once again shown the relations between Kiev and Simferopol cannot be considered potential conflict, the core of the problem is in the bankrupt leadership of Crimean Parliament," he added.

Refat Chubarov, another leader of the opposition, said all the approaches at the round table included two main ideas: sovereignty and territorial integrity of Ukraine. Chubarov said he thought all round table participants were trying to convince Tsekov that the situation does not constitute a major conflict.

"The participants of the OSCE round table became certain the position of Speaker Tsekov was absurd," Chubarov added.

Crimean Tartars Set Up Self-Defense Detachments

MM1605160095 Moscow IZVESTIYA in Russian 16 May 95 p 1

[Report by Nikolay Semena under the "From Our Correspondents and News Agencies" rubric: "Crimean Tatars Set Up Self-Defense Detachments"]

[FBIS Translated Text] Simferopol — More than 3,000 Crimean Tatars took part in a series of rallies outside the republic police premises and the republic prosecutor's office. They presented a demand to the law-enforcement agencies to put a stop to a racket on the peninsula. Recently, racketeers, who had imposed a "tribute" of $300-500 at Crimean markets, killed a Crimean Tatar Ali Aliyev. After talks with Police Chief Major General V. Kirichenko and Republic Prosecutor V. Kuptsov, Server Kerimov, chairman of the organizing committee of the Crimean Tatar national party "Adalet" ("Justice"), said to IZVESTIYA, so that the Crimean Tatars can defend themselves from Mafia groups, a decision has been adopted to set up detachments of ethnic Tatar warriors who from as early as Monday will patrol the city streets and residential districts of the Crimean Tatars. The Sevastopol Police Directorate proposed to city residents that they also set up volunteer detachments to combat crime where they live, our correspondent Nikolay Semena writes.

Crimean Deputies Approve Referendum Questions

WS1705104295 Kiev Ukrayinske Radio First Program Network in Ukrainian 1000 GMT 17 May 95

[FBIS Translated Text] At today's plenary session of the Crimean Supreme Soviet, deputies approved the form and wording of ballot papers for the Crimean referendum. If the referendum is held, voters will have to answer the question of whether they support the Constitution of the Republic of Crimea, which was unilaterally abolished by the Ukrainian Supreme Council on 17 March 1995. In addition, according to the resolution passed at the session, a consultative referendum is to be held in Crimea on 25 June 1995 with one question: Do you support the creation of an economic and political union of three states — Belarus, Russia, and Ukraine.

Crimean Supreme Soviet deputies also today passed an appeal to Ukraine's oblast councils of people's deputies. The appeal carries a request to support the Crimean parliament's legislative initiative to hold a Ukraine-wide referendum on the aforementioned issue. Prior to this, the Crimean Supreme Soviet submitted this initiative to the Ukrainian Supreme Council for consideration.

Reasons Behind Army Draft Problems Detailed

WS1705083095 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 12 May 95 p 3

[Article by Svetlana Bulanenko: "Sly Pasha Dates Dasha, While Honest Sasha Eats Army Porridge"]

[FBIS Translated Text] In the year 1210, 7,000 crusaders who were on their way to God's grave in Jerusalem, entered Constantinople, the capital of the Byzantine empire, robbed it, and burned it to the ground. The large city garrison virtually did not resist. Neither did a single citizen of Constantinople.

This vivid historic example shows that even if a state has a huge army, but its citizens do not have patriotic

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sentiments or readiness to defend their compatriots, that state remains defenseless. Ukraine has found itself in an almost identical situation. Being in possession of an expensive Army, it cannot feel absolutely safe.

A state's defensive capacity to a great extent, depends on its young generation's attitude toward its patriotic duty — military service, as well as on its moral and physical fitness. Readiness to serve in the Army does not emerge all by itself. It should be implanted for years. This task does not rest on families; it rests on the state and on public organizations. Unfortunately, this axiom is more and more often forgotten.

Twice every year, when the defense minister issues regular orders on drafting young people for active military service, conscripts' problems become more exacerbated and attract public opinion. Who are they, the conscripts of 1995? What families do they come from? With what kinds of feelings are they going to protect the peaceful labor of their nation?

Regular social polls conducted at military commissariats among conscripts of draft age help provide answers to those questions. This is what was revealed by an express poll conducted by the "Eurasia" center for sociopolitical research. Despite the prevailing opinion that the prestige of the military profession has taken a nose-dive, more than 80 percent of young people polled believe that Ukraine cannot do without its Armed Forces. Only 9 percent of them advocate an openly pacifist mentality. While acknowledging the importance of military service as such, the respondents stated that the Army should be manned by volunteers on a contractual basis (75 percent). At the same time, 70 percent of people polled do not consider military service to be their civil duty. More than 40 percent added that they would like to emigrate in the immediate future.

Among the reasons behind the young people's refusal to conscript for active military service, the fear of being "bullied" ranked first (58 percent of respondents), followed by unwillingness to waste time (45 percent), and fear of undermining health.

One does not need polls to understand that after the system of military-patriotic training was dissolved, young people completely lost interest in being considered protectors of their motherland. Incidentally, strange as it might seem, the law "On General Military Duty and Military Service" helps dodge conscription. Because of its imperfect nature, only 10 to 12 percent of the draftees are called up to the Army. It is enough to take a closer look at Article 17 of the law, entitled "Deferred Conscription" to find a myriad of loopholes. It is even better to have hard currency, and remember to share it with military commissariat employees.

Thus, six out of 10 conscripts called up in 1994 were granted the right to determent. Only the sons of poor parents go to serve in the Army, or those who are not educated enough to find a loophole in the law. As a result, 90 percent of Army personnel currently come from workers' or farmers' families.

An upsurge in juvenile crime is one of the factors causing a reduction of the contingent eligible for draft. The number of conscripts brought up on charges in 1994 increased threefold in comparison with 1993. About the same number of young people were granted deferment for health reasons. Out of 210,000 young men listed as draftees in military commissariats, 6,000 people were mentally retarded, 1,600 were psychopathic, and there were more than 1,000 alcoholics and drug addicts. It should be added that around 400 servicemen were sent home from the Army in 1994 on grounds of poor health.

Said facts enable us to "paint" a complete portrait of a young soldier who will carry weapons in the spring of 1995. This is a young man from a working, often single-parent family. He had difficulties completing secondary school. He has a whole range of diseases, however insufficient to receive the "white ticket" [certificate of being unfit for military service]. He hates military service and considers himself a failure, because he was unable to dodge the draft. He is sure that he will face hooliganism in the barracks, and that is why he is ready to humiliate others or to be humiliated, depending on the situation.

Needless to say, this is not a very attractive picture, and an Army manned by such people evokes not only compassion, but also doubts whether they are capable of performing assigned tasks.

The strangest thing, however, is that the problem of drafting young people to the Army virtually does not exist in our country. It exists for young people trying to dodge the draft; it exists for their families; however, it does not exists for the state. If it did exist, a system of pre-draft training and medical care would function in the country. All this existed in the former USSR, which needed a constant supply of young soldiers for its huge Army. Young people serve within Ukraine these days, and Ukraine's military contingent has decreased 2.5-fold. The decrease process is gaining momentum.

Under those circumstances, the Army does not need the 200,000 conscripts listed in military commissariats. This produces the aforementioned results. Only 70 percent among the 200,000 are healthy enough to be fit for service. Every second young man among those healthy has the right to determent. Only 12 percent of those left are finally called up. This is a sufficient number. Military commissariat officials, along

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with police officers have no problems carrying out the conscription plans drafted by the Defense Ministry.

Still, the issue of preparing young people for Army service remains one of the primary problems experienced by the Ukrainian Armed Forces. It is inadmissible to man military units by catching conscripts on the street. If nothing changes in the system of training and drafting new soldiers, our "cheap" Army based on general military duty will be dominated by thugs ready to sell their weapons at the drop of a hat or use them against their compatriots.

'Timetable' Issued for Chernobyl Shutdown

AU1605162595 Paris AFP in English 1609 GMT 16 May 95

[FBIS Transcribed Text] Kiev, May 16 (AFP) — The Ukrainian Government announced on Tuesday [16 May] a timetable for shutting down the Chernobyl nuclear power station, with the first reactor slated for 1997 and the third for 1999.

The timetable was announced on Tuesday [16 May] at a meeting with a Group of Seven [G-7] delegation, one of the delegation's members said.

The G-7 wealthy industrialized nations comprises France, Britain, the United States, Canada, Italy, Germany and Japan.

The second reactor, shut down after a fire in 1991, will also be put out of service in 1996. The plant operators had overhauled the reactor, hoping to put it back into action next year, he said.

The fourth reactor, which exploded in 1986, resulted in the most serious civil accident in the history of nuclear power. Latest statistics released by the government and environmentalists show that the April 26, 1986 catastrophe has contaminated half the country, killed thousands and left hundreds more dependant on a disintegrating programme of long-term medical care.

Economic Issues

Moroz Criticizes Economic Policies

LD1605202395 Kiev Radio Ukraine World Service in Ukrainian 0700 GMT 16 May 95

[Speech by Ukrainian parliament speaker Oleksandr Moroz at Supreme Council session in Kiev marking the first anniversary of the present parliament — live]

[FBIS Translated Excerpt] Esteemed deputies. In my address on the occasion of the anniversary I would like to speak not so much in congratulatory terms as in frankness about the situation in which we find ourselves and what the Supreme Council and other branches of power should do to improve this situation. [passage omitted]

Understanding the need for cooperation, the Supreme Council supported the main measures of the economic and social policy announced by the president in October 1994. The president underlined that that document was not in itself an economic program and it did not envisage mechanisms of implementation of the economic policy in general and particular directions. That, too, met with understanding on the part of the Supreme Council. However, the implementation of important crucial decisions can be carried out only on the condition of specific elaboration of proposed reforms, substantiation of their consequences for society, its main strata and individuals.

Unfortunately, the measures outlined in the president's report failed to become a political fact in the work of the government. Its activities were reduced to deregulation of prices and militarist measures in fighting inflation. Figuratively speaking, by turning off the tap of inflation relative financial stabilization has been achieved, although at a high price - the virtual stopping of domestic production, a severe payments crisis, a total lack of purchasing power among the population, and the ruining of the basics of social programs. [passage omitted]

At the same time under the guise of reforms approximately since November there has been an accelerated redistribution of property. It is being concentrated and monopolized on a new, often criminal, basis. The redistribution of property provokes a redistribution of power of which we see a lot of examples; in particular, the Crimean issue is not free of that basis.

We should now more than ever evaluate the situation realistically. At the same time I should note that the socio-economic situation in the country is not always assessed objectively. On the one hand, the dark colors are exaggerated, an atmosphere of hopelessness and imminent catastrophe is being created, while on the other hand there is the atmosphere of euphoria and propagandist boasting of successes which do not yet exist. Partial indicators are used in the debate: the number of privatized enterprises, the reduced rate of production slump, the speed of reforms and so on, which in the European countries are used only for reference purposes. At the same time, it is not stated how many people lost their jobs, that four-fifths of land is sown without fertilizers, that nonpayment of wages, students' grants, and pensions has become routine, that wages have lost their characteristic as a measurement of work - all that disorients and demoralizes society and undermines the work directed at the real improvement of the situation.

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At the same time, world and European practice, such institutions as the United Nations, the World Bank, and the Council of Europe, when they want to evaluate the socio-economic situation in a country for analytical and practical purposes, use not partial but generally accepted integral indicators such as the country's Gross Domestic Product [GDP] and National Income and also per capita GDP and National Income.

If we proceed from those key criteria of the economic situation of a state and the prosperity of its citizens, one has to admit that the socio-economic situation in Ukraine deteriorated last year, including at the end of the year and especially in the first quarter of 1995. In accordance with the information from the Ministry of Statistics, Ukraine's GDP fell more than 10 percent in the first quarter of 1995. Judging by the level of the per capita Gross Domestic Product, Ukraine has started to resemble the group of countries with the lowest incomes in the world. Those are the countries which are not capable of carrying out their own independent internal, external (?and other) policy. We are approaching the situation when there is a country as such but there is no state.

Unbiassed statistics, including that of the United Nations and the World Bank, show convincingly that the main reason for the low level of GDP, the drop in that indicator and other key indicators of the socio-economic state development, and also the general deterioration of the situation, is the excessively high level of energy consumption in Ukrainian production. This level is 15-20 times higher than in the developed European states.

Already back in 1990, to produce one unit of GDP, Ukraine consumed 13 times more energy than Germany and 10 times more than France. Over the following years, while GDP has fallen almost three-fold, energy consumption per unit of production has considerably grown, especially in the heavy and the chemical industries.

An absolutely unacceptable situation has developed when Ukraine is ahead of Great Britain, Austria, Germany, and France according to per capita energy consumption but is behind them by several dozen times where per capita production is concerned. In such circumstances we are doomed to see continuing deterioration of the situation and prosperity. We cannot be helped in this either by international assistance or by stabilization credits. Any such sums will burn in the flames of insatiable energy consumption of the hypertrophied Ukrainian economy.

Suffice it to say that last year's expenditure on purchasing energy carriers made up more than half of the value of total Ukrainian imports. This negative practice is continuing this year, too. Not just is it continuing - it is becoming worse. As the president said openly in his economic report, in 1995 Ukraine will spend on purchasing energy carriers not 51.5 percent as it did in 1994 but 54.2 percent of the value of imports. This makes an incredible figure considering our poverty - $8,177 million.

No state, no economy can exist with such a level of consumption of energy carriers. This puts under question not only the success of economic reforms but the very future of our state. This has to dictate the policy of state priorities, the need for support and strengthening of the position of the most productive sectors of the economy and production spheres which is, unfortunately, not being done today either by the legislative nor the executive power.

According to serious research by Ukrainian and foreign specialists, Ukraine as a European state with a developed industry, qualified work-force, good conditions, and geographic location, such priority spheres are the agro-industrial complex, power engineering, car-manufacturing, and the infrastructure of transnational communications which pass through our territory.

Meanwhile, the drawing up of a new constitution, the formation of the constitutional court, the absence of elementary control over the activity of the Cabinet of Ministers and individual ministries and departments in the regions and districts are being hindered.

Exactingness and state discipline at all levels are being neglected and are being covered by declarations, especially in the localities, about the lack of authoritative powers. The pseudo-innovators are attempting to damage or at least remove from power elected representative democratic institutions - the local councils that have only just been elected, under the farfetched pretext that they are incompatible with the requirements of the times. Besides, there are unfounded references to world experience.

However, it is sufficient to look at the provisions of the European Charter on local self-government which was adopted by the European Council in 1985. The charter's preamble notes that the bodies of local government are one of the basic elements of any democratic system. Article Three stresses that this right is exercised by councils or assemblies composed of citizens elected through free, secret, equal and direct general elections. The councils will have at their disposal the executive bodies that are accountable to them.

I think it would be expedient to familiarize the Ukrainian community with the basic provisions of the

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European Charter by publishing the document in the newspaper HOLOS UKRAYINY.

Again voices are heard about the impeachment of the president, the dissolution of the Supreme Council and preterm elections. But this all took place just recently. Let us remember that first one government was dismissed followed by the second and the third one. After this it was the Supreme Council's turn followed by the president's. It is judicial nonsense in a civilized world if the president leaves his post without having served half of his term as set out in the constitution. The bitter experience which we have already lived through forces us to act in the current political climate without repeating old mistakes. A state which does not understand the general reference-points has no future. Such a state is a favorable environment for adventurist and power-hungry politicians, administrative arbitrariness, corruption and other destructive phenomena.

If we are not futile dreamers and if we fail to understand that the fall in living standards has today reached the limits at which point irreversible social processes begin, then we cannot recognize monetary policies and tough financial stabilization as the only correct way. They place the main burden of inconsistent and ill-considered reforms on the people. The public does not understand how the authorities intend to approach the resolution of the problems that face the country. It is one thing to simply declare the necessity of conducting reforms and all its constituent parts and another thing to have a clear idea of how to resolve these problems, draw up specific programs with time limits and results indicated, examine the situation and analyze its development and consequences for the bulk of the population.

In general an impression is formed that we talk about one thing then do what is completely the opposite. People talk about this during meetings in the constituencies. Otherwise how else can one explain the fact that real budget revenues in the first quarter of 1995 were almost half what they were in the last quarter of 1994? The real incomes of our citizens in the last six months have fallen by 30 percent. The negative foreign trade balance in such a short period as the first quarter of 1995 was never so significant and amounted to $790 million while Ukraine's foreign debt doubled. Thus we have results that are directly the opposite to what we intended.

Since the objective reasons for such a substantial decline are practically absent we need a serious analysis of the mistakes made in this case by the executive power. One must recognize this fact.

I consider that we need to step up exactingness for the economic substantiation of all draft laws that are submitted by the Supreme Council and generally to be more strict in abiding by the regulations in accordance with which not a single one of them ought to be discussed without an economic calculation that confirms the necessity of adopting the submitted draft law.

The president is absolutely right when he insists on the correctness of economic reforms. However, the implementation of reforms should be safeguarded by serious organizational measures, first and foremost by the speedy formation of the government and the requisite legislative foundation.

It is surprising, therefore, that despite all the economic problems, the candidacy of the prime minister has not even been submitted for the parliament's consideration, especially since the procedure for the formation of the Cabinet of Ministers is clearly defined by the constitution.

As regards setting up a legislative base, it is important to touch on this aspect. Ukraine is part of Europe, part of its history, culture, and economy. At the moment we are outside the boundaries of European structures. If our entry and ongoing successful activity in them are going to be a reality we need to bring our legislation in line with the general European standards and not subject to the interests of individual lobbyists as often happens today.

In the first instance this concerns the civil code, the laws that regulate economic activity, financial and taxation policy, and defense of human rights. Unless we begin this work nobody in Europe will cooperate seriously with us.

We must carefully look at the process of the legislative process itself. We must increase the role and responsibility of standing commissions and strengthen the requirements in the regulations with regard to the discussion of legislative initiatives. Under the guidance of deputies recommendations, we must put into practice the reports by commissions and their chairmen for work undertaken on the rotation of the presidium. This will be done. We need to be decisive in increasing supervision over the use of laws.

As demanded by the Ukrainian Supreme Council and the procuracy at the beginning of last year there was a review of legal acts and the structures of executive powers at all levels. As a result of this almost 5,000 enactments were uncovered that were at odds with the constitution and current Ukrainian legislation. Unfortunately, the situation in this respect has not improved. Sometimes an impression is formed that those who supposedly support reforms by their words and also in this chamber direct their main attention

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at political rather than economic aspects. There are many calls and positive declarations but there is no substantiation as far as the requirement and possibilities for implementing them are concerned. This slows down the course of reforms, weakens Ukraine's national security and creates favorable conditions for exploiting contradictions in laws, decrees, and legal acts with the aim of criminal enrichment, the misappropriation of state property in the process of privatization and open swindling at the expense of the impoverishment of the bulk of the population.

One cannot agree with everything. The political and economic reconstruction of our society was begun in order create a sovereign and democratic Ukraine in which social justice would reign. Ukraine's citizens expressed this when they voted in favor of an independent Ukrainian state and gave their votes in support of president Leonid Danylovych Kuchma's election program and the concept of building Ukraine as proposed by people's deputies of the current composition of the Supreme Council.

For the sake of steady progress toward democratic transformations, radical economic reforms and social justice in society, the citizens of Ukraine are patient about the current difficulties, poverty, and unemployment. However, the power structures, meaning all branches of power, have no right to abuse this patience endlessly. Action in all spheres of social life is required and this is precisely the requirement that has to be paid especial attention to now that the third session is nearing completion. [passage omitted]

Given recent political developments in Ukraine, local organization of state power has objectively become question number one. Political, administrative, and legal reforms capable of checking escalation of the crisis, and objectively pressing socio-economic reforms in Ukraine in no way can be addressed by one or two laws of principle. There needs to be a package of political, legal, organizational, and technical measures and a comprehensive program to reform the political structure of society and legal institutions of the state.

Clearly, to piece it together and put it into practice will take time. However, there simply is no alternative. No individual, inconsistent political actions and decisions can resolve the extraordinarily complicated problems for the sovereign state to survive.

So what has to be done under the circumstances?

There are three possible ways to follow. The first is to promote radicalism in society and unleash confrontation between the legislative power structure, the president and the government, as well as within the Supreme Council, between factions and groupings, and in local councils, between council leaders and deputies.

The second way is to maneuver, to bide one's time without changing anything so as to seize the initiative at the right moment and force one's own policy on opponents.

The third way is to find common views which could be agreed by means of compromise and mutual concessions, primarily in respect of urgent measures to stop the deepening crisis, and, at the same time, implement urgent reforms within the legislative, executive, and judiciary structures without their comprehensive restructuring and using the agreed points of the law on power, while concentrating all efforts on the preparation and adoption of a new Ukrainian constitution and new legislation on elections to representative power bodies. There is no doubt that consistent and comprehensive power reforms are possible only with a a new, compromise-based and popularly democratic Ukrainian constitution, compliance with which would be mandatory for all political forces in Ukraine.

The first way, it seems, is being imposed on society by certain hotheads within the executive structure as well as a section of people's deputies playing up to them. This must be stated openly. Is it feasible to achieve anything positive on this extremely dangerous road? I doubt it. Any sober politician will confirm that the most probable outcome of this policy will be further deepening of the crisis, extreme criminalization of society and, as a result, criminal dictatorship and a tragic course of developments.

The second option is associated with the tactics of the so-called parliamentary majority is ascribed to the left-wing bloc in the Supreme Council headed by its leadership. These political forces within the legislature are being seen as the main opponent of reforms, conservatives pulling the society back into the not-too-distant past. But this is not true, putting it mildly. Because only a small part of leftwing deputies in the Supreme Council, as well as rightwing ones, with some reservations, seem to adhere to these extreme tactics. Building one's policy on a biased impression about one's political opponents and creating an artificially carved image of them is a losing policy. On the other hand, if one counts on some corporate political gains, left or right, without changing the situation which is leading to a national catastrophe, such hopes are futile.

In this connection, speaking as the chairman of the Ukrainian Supreme Council, I believe it necessary to state unambiguously that I stand firmly in favor of the third of the above options. I have been and will be guided by this view in my work, because I am confident

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that only this way can help achieve any positive results in the situation that has developed in Ukraine.

To enlarge on this third option, it can be implemented in the following way.

First of all, we must renounce all plans for plebiscites or referendums. This is suicide, both for politicians and the state. Naturally, if the hotheads who are putting the idea of a plebiscite in the president's mouth achieve their goal, the Supreme Council will protect him from unconstitutional actions by reclassifying the plebiscite as a referendum with legally defined consequences. This would be undesirable. Politics cannot withstand a gamble. It is better for the president and the Supreme Council of Ukraine to recognize each other's powers unconditionally without raising questions about their early termination.

The sides must assume mutual obligations:

First of all, to form jointly not later than within a month a Cabinet of Ministers, to give it a guarantee that it will be possible for it to work, to prepare a substantial programme of the activities of the government directed at ending the socio-economic crisis in Ukraine and to pass it as envisaged by the constitution.

Further, on the basis of the clauses, which have been agreed and adopted, of the draft law on state power and local government and also additionally upon the initiative of each side, to take a number of organizational and legal measures to ensure immediate reforms in the work of the legislative body of Ukraine and in the system of executive power with the purpose of raising the productivity of their work and ensuring the implementation of the program of the government. Besides, at the same time by the end of 1995 to simplify the procedure for collaboration of the president and the structures of the Supreme Council and to exclude the possibility of confrontation during legislative activities on economic issues. As you already know, this specific proposal has been earlier made by me and the president.

Upon expiry of one year's term the Cabinet of Ministers of Ukraine is to submit to the Supreme Council of Ukraine a report on the implementation by the government of the program for ending the socioeconomic crisis. However, after this program has been confirmed, one should not be pestering the government and let it work so that its members should enjoy an appropriate legal guarantee.

One should return to the law on work renumeration and implement it, taking as a basis the level of poverty which has been worked out by the government and trade unions. [passage omitted] I support the president on this issue.

Second, not later than June 1995 to form a constitutional court of Ukraine and to ensure the legislative, organizational, technical and financial aspects of its work. Simultaneously, the president of Ukraine and the Supreme Council of Ukraine are to take the measures, defined by the legislation, concerning the provision of the work of other court bodies.

Third, the president of Ukraine and the head of the Supreme Council of Ukraine as co-heads of the constitutional commission undertake to ensure the most active work to complete the elaboration process on the draft of the new constitution of Ukraine and its submission to the consideration of the Supreme Council of Ukraine not later than this summer. The adoption of a new constitution of Ukraine must become the political act which will consolidate society and must be implemented by the end of the year.

Fourth, the Supreme Council of Ukraine is to accelerate the elaboration of legislative acts which regulate the activities of political parties in Ukraine and the status of the parliamentary opposition as well as a new election legislation of Ukraine and to adopt them not later than in March-April 1996.

Fifth, in the foreign policy, the head of state and the legislation body shall take resolute steps for establishing business contacts with the neighbors in the West and the East, first of all with Russia, and ensure Ukraine's entrance into the Council of Ukraine in autumn of this year. I am convinced that such an approach would enable constructive forces both in the Supreme Council of Ukraine and in the entourage of the president of Ukraine as well as in various political parties to get more exact bearings in the most complicated situation which we are facing today. In the long run, one should decide which Ukraine and for whom one should build and, having included that definition in the new main law of the state, one should start on a legal basis to implement the political, legal and socio-economic reforms needed by Ukraine.

Some may think that this path is just playing for time and delaying general economic reforms. Quite the opposite, it is the badly prepared, hurried, chaotic and blind measures that are the real delay of reforms although on the outside it all seems radical and progressive. Well thought out, planned and prepared measure is, as is known, the shortest way towards it aim. Therefore let us be balanced, careful and responsible politicians since Ukrainian people have entrusted their future with us. I am calling you to this in the period of the completion of the work of the third session and hope that we will still consider the issue of the regime and the dates of the

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work of the Supreme Council during the third session, namely using summer for active work.

Thank you for your attention.

Loan Granted for Agricultural Modernization

WS1605113395 Kiev INTELNEWS in English 2233 GMT 15 May 95

[Report by Andrea Faiad]

[FBIS Transcribed Text] The European Bank for Reconstruction and Development [EBRD] devoted nearly $7 million Monday a for an agri-center to be built in Myronivka.

The project, funded in part by an EBRD $3.9 million loan and a $3 million equity investment, aims to modernize Ukrainian agriculture technology and to increase farmers' standard of living, said Viktor Yushchenko, National Bank of Ukraine governor.

Surplus goods will be sold on the world market for world prices, he said, which are significantly higher than state prices.

The EBRD loan will partly finance construction of the center, which will provide agricultural supplies, marketing services, a modern grain elevator and seed-processing facilities to area farmers.

"We'll never come back to those old principles of fixed prices again and the countryside, the villagers, will never live under those conditions again," Yushchenko said.

The project, which is EBRD's first agri-service center project and first non-sovereign agriculture operation in Ukraine, has a total project cost of $20.74 million. The joint venture company Kiev-Atlantic Ukraine [KAU] will build and operate the center. Construction on the center recently began and is expected to be finished by mid-1997 on 40 hectares of farm land in Myronivka.

"The concept of the project is to provide a one-stop shop for farmers to be able to procure what they need," said David Sweere, chief executive officer of KAU. Initially, he said, the center will have a 20,000-ton capacity. Then, the company hopes to expand the plant. The participation of at least five Ukrainian districts is needed to use the plant at capacity, he added

The center is expected to yield 45,000 tons of soft oil seeds per year and 60,000 tons of balanced feeds concentrate, Sweere said. The feed will be used by farmers to enhance the quality of dairy and beef products, while the soft oil seeds will be sold on the world market and eventually made into vegetable oils.

"This new system will allow farmers to modernize production methods and increase their output and productivity without the risk of fluctuations in the currency markets," said EBRD President Jacques de Larosiere. "With so much of Ukraine's economy based on agriculture, new ways have to be developed to mobilize its huge potential."

Canadian Oil Experts Offer Technology

WS1605120495 Lvov INFOBANK in English 0900 GMT 16 May 95

[From the "News Service" feature]

[FBIS Transcribed Text] A visit of a delegation from the Canadian province of Alberta to Ukraine which began on May 10 will last until May 17. The delegation consists of representatives of 25 largest oil-and-gas and oil-chemical companies of this province. Among these companies are Thermo Design Engineering Ltd., Gma International, Canadian International Services Inc., Alpine Electronics, Petroleum Industry Training Service, Pickford Group, and some others. Members of the Canadian delegation will study the possibility of exploiting used oil and gas deposits by new methods, of making investments to geological survey of the Dnipropetrovsk-Donetsk and Dolyno-Podolsk regions, as well as of the Black Sea shelf.

According to information provided to an INFOBANK correspondent by George Hrushchenko, the leading specialist of the Canadian Embassy to Ukraine, the company Bws Beta Well Service Inc. offers Ukraine new technology of horizontal wells drilling which was not used earlier in Ukraine; Thermo Design Engineering Ltd. offers systems of oil and chemical processing and technology of ecologically safe processing and utilization of coal by-products.

In the Ukrainian Cabinet of Ministers the delegation of Canadian businessmen met the management of the National Committee on Geology and Deposits and the National Committee on Oil, Gas and Oil Refining. Representatives of Canadian companies visited a joint Ukrainian-Canadian venture KASHTAN ("Chestnut Tree") established to develop the Lelyakivske oil and gas deposit in Poltava Oblast. Hryshchenko does not reject a possibility of the establishment of new joint Ukrainian-Canadian ventures in oil and gas sector following the visit of Canadian businessmen from Alberta to Ukraine.

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Refineries Operating Under Capacity Due to Oil Shortages

WS1605113295 Kiev UKRINFORM in English 0908 GMT 16 May 95

[From the "Business News Weekly" feature No. 19, 8-14 May 95]

[FBIS Transcribed Text] According to the State Committee for Oil, Gas, and Oil Refining Industries, Ukrainian oil refineries utilized only 19.5 percent of their aggregate production capacity in the first quarter of 1995 because of crude oil shortages. They processed about 3 million tonnes of crude petroleum, about 500,000 tonnes of which were supplied by Ukraine's oil extractors, Ukrneft, Chernomorneftegaz, and Ukrgazprom (condensate).

Oil shipments, and hence idling times, varied from one oil refinery to another. The table below presents specific percentage figures for production capacity utilization at each oil refinery.

Lisichansk oil refinery - 0
Kremenchuk oil refinery - 41.0
Kherson oil refinery - 9.2
Odessa oil refinery - 8.3
Drohobych oil refinery - 18.0
Nadvirna oil refinery - 38.4

Odessa Homes, Businesses Face Blackouts

WS1505114095 Kiev INTELNEWS in English 2219 GMT 14 May 95

[FBIS Transcribed Text] Odessa, May 12 — Electricity to Odessa homes and businesses will be cut for an hour a day because the city's debt.

"The Odessa Oblast owes the Ukrainian national electric utility more than KBV [karbovantsi] 2.8 trillion for heating and electricity," said Yurij Zhulenkov, manager of the Odessa Regional Department for the Coordination of Development and Energy.

Approximately one-third the sum was run up by Odessa city proper, said Zhulenkov, who predicts difficulties if bills are not paid.

"The Ukrainian Cabinet of Ministers has made a decision in April to cut down energy deliveries to organizations that are in debt for utility use," Zhulenkov said. "Odessaenergo (the Odessa Oblast' Electric Company) has had its bank account frozen as a result. This is the company that should buy electricity and provide it to the consumer."

The decree resulted from a Kiev decision to drastically curtail energy imports from Russia and consequently force local governments to use less energy more economically.

Zhulenkov said the debt and frozen local utility bank account "has a definite negative effect on our plan for development in the region. If we don't deal with our energy problem now we'll have real difficulties in the 1995-96 winter," he said.

Vyacheslav Sosovikov, assistant manager of Odessaenergo spelled out what comes next.

"Since prices for fuel for our electric power station have gone up, we have to reduce our fuel expenditures so as to have a winter reserve. As a result, companies will have electricity cut-offs in the morning from 0900 to 1100 and in the evening from 1900 to 2100. If we don't do this now, winter we can wind up completely without electricity."

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Belarus

Lukashenka Briefs on Belarus-Ukraine Talks

LD1605180395 Moscow INTERFAX in English 1705 GMT 16 May 95

[FBIS Transcribed Text] MINSK, May 16 (Interfax-West) - A CIS collective security system is impossible without Belarus and Ukraine, President Alyaksandr Lukashenka of Belarus has declared.

Talking to journalists after his meeting with Ukraine's Foreign Minister Hennadiy Udovenko in Minsk, he made it clear that one of the key topics for discussion was interaction in anti-aircraft defense. Without going into details, Lukashenka said that both sides had agreed to pull together their efforts to protect the air frontiers of their states.

Udovenko's visit to Minsk was crowned with a bilateral friendship and cooperation treaty, initialed by him and his Belarussian counterpart Vladimir Senko. The accord is expected to be signed during an official visit to Belarus by Ukraine's President Leonid Kuchma.

"The date for the trip will be fixed on May 26 during the CIS summit in Minsk," Lukashenka said.

For his part, Senko declared that "negotiations on the delimitation of the Belarusian-Ukrainian border have entered the final stage." Of the 315 delimitation maps, the sides have finalized 295.

"There are no territorial claims between our countries, nor are there any disputes," Senko declared.

Foreign Ministers on Ukraine Talks

LD1605194495 Minsk Radio Minsk Network in Belarusian 1600 GMT 16 May 95

[FBIS Translated Text] There was a meeting today at the National Press Center for Belarusian journalists with Uladzimir Syanko and Hennadiy Udovenko, ministers of foreign affairs of Belarus and Ukraine, and also members of the Ukrainian delegation staying in our Republic on an official visit. (Aleg Mikhaylevich) has the details:

[Mikhaylevich] I want to say right away that this is the first official visit by the Ukrainian minister of foreign affairs to Belarus, and it was organized at the invitation of the minister of foreign affairs of our Republic. During the visit and the talks between the ministers of the friendly states, there was an exchange of views on a wide range of issues of bilateral cooperation and international problems of mutual interest. Apart from the meetings with his Belarus colleague, the minister of foreign affairs of Ukraine was received by the Belarusian President Alyaksandr Lukashenka and Prime Minister Mikhail Chyhir. They discussed questions concerning the forthcoming state visit by Ukrainian President Leonid Kuchma to our Republic. Uladzimir Syanko and Hennadiy Udovenko, ministers of foreign affairs of Belarus and Ukraine, told journalists about this at today's news conference.

[Begin recording] [Syanko, in Russian] The aim of the visit was to initial an interstate treaty on friendship and cooperation between the two states. This was done yesterday, as you know. Now the way has been prepared and opened for the signing of this treaty at the summit level. We have in mind that in the near future Ukrainian President Leonid Danylovych Kuchma will pay an official visit to Belarus to sign this most important interstate document. During this visit we have held a truly in-depth exchange of views on all problems of bilateral relations — political, economic, and some other areas. What was also very interesting for us was an exchange of views on a wide range of international problems. I would now like to give you the opportunity to ask questions of interest, first to our guest from Ukraine, Hennadiy Iosypovych Udovenko. If you want to comment first Hennadiy Iosypovych, please go ahead.

[Udovenko, in Russian] I agree with Uladzimir Lyavonavich. A long time was spent in preparation of the visit, and we devoted it to completing the drawing up of an interstate treaty on friendship and cooperation. We must give the Belarusian President Alyaksandr Rygoravich Lukashenka his due. Whenever we met he would ask when the treaty would be ready. He kept on pressing, pressing, pressing. Yesterday we initialed this treaty, and as Uladzimir Lyavonavich said, we shall try to organize the visit by our president to Belarus as soon as possible to sign this important document, which will determine our relations. Even without a treaty we lived and cooperated all right, but two independent states must regulate their relations through such an important treaty as the one we initialled yesterday. [end recording]

[Mikhaylevich] Then both ministers were given many questions. The journalists took an interest in what the guest from Ukraine talked about with the president of Belarus and how Udovenko assess the results of the referendum that took place in our Republic on 14 May.

[Begin Udovenko recording, in Russian] We had a very wide-ranging talk with the president. We summed up the results of the visit and the talks that were held. We discussed very serious questions connected with deepening cooperation between Ukraine and Belarus, all-around cooperation. We spoke about cooperation in the area of political cooperation, commercial and economic, scientific and technical, military, military-technical, cultural. We, Ukraine and Belarus, are ready for active

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development of cooperation in all the above areas. We discussed questions connected with the integration processes, including economic integration of Belarus with Russia. We do not read it any differently. Ukraine also is actively working for economic cooperation, for integration both with Russia and CIS member-countries. We discussed relations with the West, and the president stressed that he is conducting an active course of developing cooperation with Western countries too. So our viewpoints fully coincide on this.

As for the referendum results, I told the president that it seems to me that it is not only the four questions that were formulated there. It seems that it is a matter of support by the people of Belarus — very impressive support — for the line being followed by President Lukashenka. One can only be glad that he had the courage to put these questions to a referendum and the people of Belarus supported their president. [end recording]

Minsk, Kiev Sign Joint Communique

LD1605144595 Kiev UNIAN in Ukrainian 1235 GMT 16 May 95

[FBIS Translated Text] Minsk — The Belarusian and Ukrainian foreign ministers have signed a communique in which they assessed positively the results of the Ukrainian foreign minister's trip to Belarus. They said that the mutual talks became a logical extension of the efforts of the Ukrainian and Belarusian presidents aimed at strengthening Ukrainian-Belarusian relations.

The ministers attached great importance to the strengthening of the legislative base of bilateral relations and stepping up work on the signing of agreements on cooperation in border regions, assistance and the mutual protection of investments, labor activity and the social protection of the citizens of Belarus and Ukraine who work outside their own states, and the organization of joint control at Ukrainian-Belarus border crossing points.

The communique assessed positively the work on the delimitation of the borders and gave assurances that they would be successfully completed.

The participants in the talks noted that economic cooperation was a priority for Ukrainian-Belarusian relations. Both sides confirmed their readiness to deepen contacts. The sides consider it necessary to discuss and regulate the issue of mutual indebtedness and adopt measures to simplify customs procedures between Ukraine and Belarus.

The sides examined current trends in the development of the CIS and spoke in favor of various forms of participation by states in Commonwealth activities. They exchanged views about the normalization of the situation in "hot-spots" on the territory of the CIS and expressed an interest that these problems would be resolved as soon as possible.

Union With Russia Seen As Energy Crisis Solution

WS1605125395 Minsk RESPUBLIKA in Russian 13 May 95 p 5

[Article by Yuriy Kornilov: "What Is To Be Done With the 'Heritage'?"]

[FBIS Translated Text] The first Belarusian president received a difficult heritage; it is hard for him to keep promises given to the people before the elections. Debts to Russia are hanging over our Republic as the Damoclean sword. It may fall at any moment, with consequences which can only be compared to the ordeal of a protracted war. The introduction of world prices for Russian oil and gas delivered to sovereign republics brought about an accumulation of high and ever-increasing debts.

The situation of the republics with a powerful and energy intensive production potential, such as Ukraine and Belarus, became particularly complicated. As of November 1994, Ukraine owed Russia $1.5 billion for energy sources, and Belarus — $460 million, including $420 million for gas and $40 million for oil. Through the efforts exerted by President Alyaksandr Lukashenka and the government, the debt had been reduced to $411 million by the end of last year. The Russian Government members believe that the debts were caused by the unwillingness of consumers of energy sources to pay their suppliers, as well as by their intention to "live off Russia" and transform it into their donor. They firmly demand that the debts be repaid in the form of a corresponding number of shares in Belarusian companies. Should this option be selected, the best Belarusian companies will gradually end up in the hands of Russian capitalists, since the repayment of debts will not prevent them from accumulating in the future.

Belarus will still be unable to pay for energy sources in full until it achieves a new market-like correlation between oil and gas prices and people's incomes. During the transitional period, however, Belarus should not pay for energy sources at world prices. The latter should be set for purchasers not producing goods. As for CIS countries, along with Russia they participated in establishing complexes for extracting, refining, and transporting energy sources, and actually co-own them with all the ownership rights. The Russian authorities deprived them of these rights, having introduced an uncivilized and unjust apportionment of the former Soviet Union's property, as a result of which, all oil

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and gas complexes located in Russia were proclaimed its monopolistic property.

Moreover, they say that Belarus intends to "resolve its problems at the expense of Russia." In fact, it is just the opposite. Belarus "presented" the Russian Government with its share in oil and gas complexes. Had the division of common property been conducted in a civilized manner, on a basis of international sharing of facilities vital to all republics, and proportionally to their shares in the former Soviet Union's national income, Belarus would have obtained its portion according to the value of facilities extracting energy sources, and a corresponding annual volume of oil and gas at prices equal for all participants in the apportionment. Belarus would have been able to consume the same amount of oil products it had been receiving before the liberalization of prices, that is up to 40 million tonnes per year. The separation of Belarus from sources for receiving oil and gas by setting a high barrier of world prices for them resulted in a situation, in which Russia sold as little as 25 million tonnes of oil to all CIS countries in 1994, meaning 23.9 percent less than the previous year. In 1995, oil deliveries to our Republic will amount to 10 million tonnes of oil, gas deliveries to 14 billion cubic meters, and they will further be defined according to actual payments for them.

It is not hard to anticipate that this will result in a further decline in production and companies' financial capabilities, and consequently, in an even larger reduction in purchases of oil products, which will bring about new negative changes. Attempts to ensure payments for energy sources by granting credits will not save the situation either, first because energy sources purchased in this way are much more expensive, since expenditures for their purchases include not only their price, but also high interest rates on credits. Second, over the last two years, Belarus has incurred debts to Russian companies amounting to over $400 million, while purchasing as little as 50 and 25 percent of its previous annual consumption of energy sources respectively. Deliveries this meager, however, cannot ensure resumption of normal work of our national economy, even if a system of measures for saving energy is introduced.

Belarus' debt for oil and gas will increase. During the first two months of this year, it rose by almost $6 million. Third, the possibility of receiving IMF loans is accompanied by demands to step up privatization, fundamentally and quickly change forms of ownership and management in the agricultural sector, and reduce inflation by monetary methods such as delaying payments of wages, increasing prices for municipal service, granting credits on enslaving terms, abolishing subsidies for the population, etc.

There is only one option, on which the people and state administration should focus their attention. It is the unification of the Belarusian and Russian economies with equal prices for energy sources and other production resources for all economic entities. Moreover, during a transitional period, these prices should not match world prices, but should rather be based on agreements satisfying both sides — consumers and suppliers of these resources. These agreed prices should reflect the level of development of resources consumers and a correlation between prices for energy sources and the general level of people's incomes and purchasing power. As they become balanced, prices for oil and gas will increase and approach world prices. Without this, not a single CIS country with an energy intensive production potential will be able to stabilize its economy.

The president and the government, understanding the significance of this problem, are taking specific measures to resolve it. However, they are being hampered by opponents presenting another option requiring huge investments and a long period of time, which will result in high expenditures for purchasing oil, and will not resolve the problem of supplying our Republic with gas. Our state does not have enough money, it is unable to function without regular deliveries of oil products, and it can receive oil only from Russia. It is thus inadmissible to use in a power struggle the option for resolving the problem of supplying our Republic with energy sources, the only "merit" of which is the fact that it is different than the one selected by the president and the government, and that it makes it possible to isolate oneself from the Russian Federation, as its advocates erroneously believe.

The referendum including a question concerning relations between Belarus and Russia is a timely and important measure, which will make it possible to select an option for supplying our country with energy sources based on economic and organizational advantages, and not on national antipathies of certain parties and movements. Popular support for the president will improve his prestige and confidence, and will contribute to purposeful and efficient work on overcoming the energy crisis, which is the reason behind many of our miseries.

Premier: 'Reasonable' To Reduce Deputy Seats

WS1605123995 Minsk BELAPAN in English 1200 GMT 16 May 95

[FBIS Transcribed Text] At the government press conference Prime Minister Mikhail Chyhir declared that the government would continue to finance the elections to the Supreme Soviet. At the same time the head of the Cabinet of Ministers pointed out that the elections may drag on, which will lead to the loss of quite a sizable

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sum of budget resources. That is why, the prime minister's opinion, it would be reasonable to reduce the number of MP seats at the very beginning as 260 parliamentarians are too many for such a small country as Belarus. Now, as regards the second round, the premier proposes the declaration of candidates who receive a majority to be elected independently of the number of citizens who take part in the voting.

CE Observers Note 'Numerous Complaints'

WS1605125295 Minsk BELAPAN in English 1200 GMT 16 May 95

[FBIS Transcribed Text] "My impression is that Belarus is a country that is moving towards democracy, but it has not yet quite achieved it in accordance with the standards set by the Council of Europe," Mr Gunnar Jansson, rapporteur of the Council of Europe [CE] Parliamentary Assembly declared at a press conference at the end of the first round of voting in parliamentary elections held in Belarus on May 14. Staying in Belarus to monitor the elections the 9-member delegation of the CE Parliamentary Assembly visited more than 60 polling stations, both in Minsk and in the rest of the country.

"During meetings with representatives of political parties and public organisations, members of the delegation heard of numerous complaints about the campaign (freedom of media and access to them, ceiling on the use of funds, lack of information about candidates. [no closing parentheses as received] They were confirmed by a great number of citizens consulted by our observers outside the polling stations," a relevant press release of the delegation reads.

In the opinion of the CE observers, the referendum, initiated by the President of the Republic, on the same day overshadowed the parliamentary elections. According to the press release, observation of the second round of elections (May 28) will enable the delegation to complete its report, which is to be submitted to the 34-nation Parliamentary Assembly at its next session (June 26-30 1995).

The parliament of Belarus enjoys special guest status with the CE Parliamentary Assembly and the country's application for membership is presently under examination.

Opposition Says Referendum, Voting 'Falsified'

WS1705085195 Minsk BELAPAN in English 0700 GMT 17 May 95

[FBIS Transcribed Text] There can be no doubt that the results of the national referendum and elections to the Supreme Soviet were falsified. This was declared by the leaders of the Belarusian Popular Front [BPF] at a press conference which was held on May 16. Because of counteraction from local authorities the opposition did not manage to conduct its preelection campaign in rural areas in the proper way, and establish appropriate control over the course of the voting there.

The candidates to MPs from the BPF Alyaksandr Shut and Syarhey Papkow who had come to grief [as received] in rural areas (the former had been balloted in the Minsk region, the latter — in the Mahilyew region) told the press of violations of the law during the voting. According to them, on election day the cases when one person was given more ballot-papers than he should have been given were of a mass character. In addition, the ballot-boxes were taken away from the premises off polling stations without any explanations, observers from the BPF were showed the door and sometimes even driven out by force with the help of militia details.

The deputy chairman of the BPF Council Yuriy Khadyka qualified the results of the referendum as "alarming." Mr Khadyka named the fact that people have not yet quite realised the importance of the problems put to the referendum as one of the main reasons for such results side by side with the unbridled propaganda in the mass media.

The leader of the BPF Zyanon Paznyak declared that "in fact by the hands of the people a millstone about their future's neck has been hung." At the same time, in the opinion of the opposition leader, the new Belarusian parliament, if it is guided by common sense, may cast doubt the lawfulness of the referendum and call it results in question. Nevertheless a tragic event in the life of the nation has already taken place. "And its consequences will not keep the country waiting for a long time," Mr Paznyak said. According to him, in the first instance, "Belarus is under the threat of discreditation as a state in the eyes of the world public, which will entail the curtailment of business activity, investments, which means isolation and the creation of conditions for the elimination of Belarus as a sovereign state."

Popular Front Leader Blasts 'Authoritarian' Elections

LD1605145095 Moscow INTERFAX in English 1233 GMT 16 May 95

[FBIS Transcribed Text] MINSK, May 16 (Interfax-West) — Last Sunday's parliamentary elections and the referendum in Belarus took place under authoritarian conditions, which "sooner or later will inevitably lead to dictatorial rule," Zenon Poznyak, the Belarusian Popular Front leader, believes.

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In an interview with Interfax on Tuesday [16 May], he criticized the referendum decision to rehabilitate the coat of arms and flag the republic had when it was part of the USSR, though without the hammer and sickle, the star and the inscription "Workers of the World, Unite!"

"Belarus is the world's only state where citizens voted for doing away with their historical state symbols," Poznyak stressed.

During the referendum, about 75 percent of participants (64.5 percent of the electorate took part in elections) came out in favour of changing the symbols.

However, in Poznyak's opinion, it would be wrong to say that "most of the republic's population voted for the new symbols." "The republic is aging: over 25 percent of its population are pensioners. They made up the bulk of those who cast ballots while the younger generation was too busy struggling for economic survival on election day," Poznyak believes.

Officials React to Referendum, Election Results

LD1605142595 Moscow ITAR-TASS in English 1252 GMT 16 May 95

[FBIS Transcribed Text] MINSK, MAY 16 (Itar-Tass) — The majority of the Belarus population, who took part in the Sunday referendum, initiated by President Alyaksandr Lukashenka, have cast their votes for integration with Russia. The electorate has backed the head of their state on all the questions put to the referendum. They have agreed that the Russian language should enjoy equal status with Belarusian, have approved the new Belarus state flag and emblem, and have given their consent to the constitutional amendments envisaging the pre-term suspension of the parliament's powers "in cases when the constitution is systematically and grossly violated".

Elections to the new Belarus parliament were held parallel with referendum. According to preliminary information, released by the Central Elections Commission, 64.5 per cent of the electorate took part in the voting. Only 18 candidates out of a total of 2,348, who vied for the 260 parliamentary seats, have been elected during the first round. The second round of the elections will be held on May 28. Only two candidates, who have polled the biggest number of votes during the first round, will be allowed to take part in the elections in each constituency. They include somemost prominent Belarus politicians — current parliament speaker Mechyslaw Hryb, ex-speaker Stanislav Shushkevich, former Chairman of the Presidium of the Supreme Soviet of the Belarus Soviet Socialist Republic Georgiy Tarazevich, leader of the Belarus People's Front Zenon Poznyak, and Chairman of the People's Concord Party Gennadiy Karpenko.

CIS Executive Secretary Ivan Korotchenya is pleased with the results of the referendum, particularly with the fact that the population had voted for economic integration with Russia. He was elected to the Belarus Parliament for the second time running. The results of the referendum did not come as a surprise for him. In the course of the election campaign he saw during numerous meetings with the electorate that the Belarus population could not imagine their life without close contacts with Russia.

In his opinion, today Russia deservedly holds special place among the CIS states, being, so to speak, the Commonwealth's motor, because "most of the economic ties, due to previous conditions, are based on the Russian economy". He believes that Russia in setting an example in the implementation of the economic reform, which is proceeding there more intensively than in the other CIS states. Possessing as it does a huge intellectual and scientific potential, the Russian Federation has initiated and drawn up many treaties within the CIS framework.

"Rapprochement with Russia does not pose any threat to Belarus statehood," Belarus Foreign Minister Uladzimir Syanko stated. Replying to the questions of journalists, who wished to know details about the elections and the priorities of the Belarus foreign policy, the Minister confirmed the view lately emerging in many political circles that in its foreign policy the Belarus republic was politically "drifting" towards Russia. He stressed that preservation of Belarus sovereignty was the main pivot of economic rapprochement with the eastern neighbour.

"Rapprochement of Russia and the Belarus republic is an objective economic step," Chairman of the State Duma Committee for CIS Affairs and Contacts with Fellow-Countrymen Abroad Konstantin Zatulin told Itar-Tass in Moscow, commenting on the preliminary results of the Belarus referendum. "Russia and the Belarus republic," he stressed, "are not faced with problems liable to aggravate their relations."

Zatulin also noted that "the Belarus people have never been russophobic". This is confirmed once again by the fact that most of the people, who took part in the referendum, have voted for the granting of the state status to the Russian language and for faster integration of the two countries.

The OSCE team, invited to watch the elections by the Belarus Foreign Ministry, has arrived at the conclusion that the voting was "peaceful and adequate". The team's document, handed out to journalists, notes at

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the same time that the holding of free and democratic elections envisaged "the need to give the voters access to information on the political programmes, advanced during the election campaign. It is also necessary to give the political parties access to the republican means of mass information and a chance to participate actively in the elections race. Not all these preconditions have found reflection in the Belarus republic".

The official returns of the elections to the new Belarus parliament and the results of the referendum will be published today.

Commentary Emphasizes Victory of President's Ideas

WS1705103595 Minsk NARODNAYA HAZETA in Belarusian 16 May 95 p 1

[Commentary by Andrey Nikolski: "The President Won — Majority Support Him...."]

[FBIS Translated Excerpt] We have learned another historical lesson. This time — through the first referendum.

The president was well aware of moods prevailing among a majority of citizens, and decisively implemented his plan, not heeding desperate criticism from an antagonistic camp.

Alyaksandr Lukashenka received an overwhelming victory. A positive response was given to all four questions on the national referendum. [passage omitted]

It seems that changes will soon begin in our country: Red-and- green flags will flutter atop flagpoles, and a new, though familiar, emblem will appear in passports in place of the "Pahonya...."

The meaning of current talks lies somewhere else. How soon will the president's victory help the people receive positive and victorious results?

The situation with our language, no matter how sincere the Belarusians regret may be, is well known. It has always, at least throughout the 20th century, been a Cinderella at the official level — short Belarusification campaigns did not last long. Their mothers' language will remain precious for those who really respect and love it.

There is no doubt that a majority of people will soon become accustomed to the new Belarusian SSR-type symbols. Will they like them, however. Who knows? Perhaps a new wave of politicians, whose strength has so far gone unnoticed, will begin searching for a fundamentally new type of symbol, burdened neither with Bolshevik nor deeply historical elements....

After winning the referendum, the president has received, apart from the triumph, a completely new level of responsibility. Under the new flag and emblem, he must vigorously proceed toward a real improvement of living standards. I think that everyone wants this.

The parliament cannot currently exist simply as an obstacle. If legislation is formulated in an appropriate way, it will be possible to replace it more quickly than stage props.

Of course, one must not downgrade the role of the Supreme Soviet in advance. It will bring together people who have gone through the electoral thresher — people with great political ambitions and practical experience.... The parliament will certainly manifest itself in the future! And so far, the legislative body is being born with great difficulty. How much money, energy, and words have been wasted! And what is the result? Eighteen deputies elected in the first round is a poor result! Moreover, one cannot say that they are political stars.

Still, we are still learning how to conduct real politics and support real politicians. Even such masters of state administration as Myacheslaw Hryb, Vyacheslaw Kebich, or Heorhiy Tarazevich did not collect enough votes to win in the first round.

Opposition leaders such as Zyanon Paznyak, Uladzimir Zablotski, Stanislaw Shushkevich, or Henadz Karpenka have not yet been elected either....

Among those who are already celebrating victory — those who already have a parliamentary seat — are Presidential Adviser Anatol Lyabedzka; Presidential Aide Viktar Kuchynski; Control Chamber Chairman Vasil Sakovich; CIS Executive Secretary Ivan Karatchenya; Trade Union Federation Chairman Uladzimir Hancharyk; Pyotr Zhushma, assistant to the Control Service chief; Uladzimir Basharymaw, chief of the Homel Oblast Control Service KRU [expansion unknown]; Valyantsin Papruha, chairman of the Svetlahorsk rayon collective farm; and Viktar Byalkovich, director of the Zhlobin rayon cooperative farm...

Those who won term themselves as allies of the president. This generates trust among a majority of people.

I think that there are no grounds to mourn for those who did not accept the questions included in the referendum. Life goes on. A state has an official symbol, and everybody has their own.

History will show which one is the best.

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Official on Refusal by IMF To Grant Credits

WS1605083095 Minsk RESPUBLIKA in Russian 11 May 95 p 2

[Interview with Valery Vilyamovich Tsepkala, first deputy foreign minister of Belarus, by Mikhail Tolochko; place and date not given: "There Is No Need To Dramatize the Situation With the IMF Credit" — first two paragraphs are RESPUBLIKA introduction]

[FBIS Translated Text] An IMF decision to suspend the $250- million credit to Belarus has triggered an equivocal reaction in the Republic. Some political researchers state that this was done, primarily, for political reasons, and that other similar sanctions should be expected.

RESPUBLIKA correspondent Mikhail Tolochko asked Valery Vilyamovich Tsepkala, first deputy foreign minister of Belarus, to comment on the issue.

[Tolochko] Valery Vilyamovich, is it correct to describe this IMF decision as nothing other than a political demarche against Belarus? It is known that the IMF considers this move as purely economic.

[Tsepkala] I would like to believe it to be so. However, judge for yourself. Let us take Uzbekistan that has much poorer economic results in comparison with Belarus. After President Karimov's statement about Uzbekistan's interest in the United States' presence in this region, Uzbekistan almost immediately obtained a "stand-by" credit. It is also interesting to know, what effective reform made it possible for Kazakhstan to receive a similar credit a year ago? Ukraine has also received the IMF credit immediately upon adoption of its budget.

One can also observe a tough, all but an ultimatum-type, approach toward economic problems on the part of the IMF. A discussion with IMF Directors' Council member Mr. Lori [name as transliterated], director of the Second European IMF Department, shows this. For example, quiet serious criticism of the Belarusian National Bank decision to reduce — from 32 percent to 25 percent — the interest rate on both deposit accounts and bank deposits in Belarusian rubles has been voiced.

[Tolochko] Is it such a great sin?

[Tsepkala] Japan's expertise in this area is noteworthy. Japan reduced the interest rate by means of a so-called "window-type" regulation [regulirovaniye cherez okno], that is, by granting credits to commercial banks. This implies that as soon as a commercial bank increased its interest rate, the Central Bank of Japan immediately reduced the volume of funds, designated for this particular bank.

This was done differently in new industrialized countries, such as Taiwan, Singapore, and South Korea. A special bank for long-term credits — with a quite low interest rate on credits — was established there. The remainder of the banks could service commercial, or so-called "short-term" deals. With regard to banks with long-term investment, they granted quite low interest rates on credits to enterprises that handled production of competitive goods.

The objective of the state was to reduce the bank interest rate on long-term credits in each of the above-mentioned cases. Such a practice, with a range of modifications, exists in practically all developed countries of the world.

Based on European experience, it is known that the interest rate on bank **credits** does not exceed 10 percent. It amounted to 30 percent in Belarus. No European bank would ever think of paying such a high **interest rate on hard currency accounts.** In connection with the ruble stability in Belarus over the last four months, it is natural that not a single commercial bank — including the Belarusian National Bank that is responsible for the general situation in the financial area — could pay such **an interest rate on credits**, in view of the stable currency.

A second accusation was leveled against the government for increasing the minimum wage. It should, however, be emphasized that this was not a wage increase in administrative terms. In reality, in view of inflation, this wage increase could be regarded as an ordinary wage indexation, as a procedure that is accepted in the entire world.

[Tolochko] To what consequences could such an IMF position lead?

[Tsepkala] There is no need to dramatize the situation. Contrary to Latin America that amassed credits and got stuck in loans, new industrial countries of Southeast Asia went along the path of establishing a favorable investment climate and could attract private capital. As experience shows, "political" investments in developed states' economies, however, lead to multiple paybacks for the West. An international system, which is profitable to the developed countries, is not always profitable to countries with transition-type economies. For example, Hungary has obtained some $8 billion in credits. At the same time, it lost some $10 billion from cutbacks in foodstuffs' exports due to agrarian reform.

The military-technical aspect of mutual relations between NATO member-states and the Central and East European states is also of interest. For example, the U.S. administration decided to begin selling F-16 fighters,

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tanks, and other offensive weapons to former socialist countries and drafted a list of potential purchasers: Poland, the Czech Republic, Hungary, Slovakia, Lithuania, Latvia, Estonia, Bulgaria, Romania, and Albania. The United States offered these countries a deal worth $15 billion as an initial payment for their membership in NATO. Candidates for immediate NATO membership preferred to refrain — due to quite understandable reasons — from this strategic proposal to begin shifting to the Western standard in arms by purchasing the U.S. weapons.

[Tolochko] As far as I can understand, it is necessary to develop a specific concept under the current situation.

[Tsepkala] Of course. Belarus has no considerable export potential, such as natural resources that could serve as the foundation for domestic investments to modernize the economy. At the same time, the Republic has potential sources of domestic financing. For example, this refers to selling nonprospective enterprises. By taking advantage of the relevant potential of the United States and the EU, it would be deemed expedient to invite Western partners to submit bids for their purchase and the most profitable use. To potentially cut back budget funds and to use them most efficiently, it would be necessary to clearly differentiate between budget-financed and municipally financed enterprises. Those enterprises requiring obligatory subsidies — due to both fulfilling life-support functions and supporting the infrastructure of settlements — must be shifted under municipal subordination. With regard to enterprises under the Republican subordination, it would be deemed expedient to develop programs to either support them, based on the principle of necessity, or sell them through auctions.

[Tolochko] The current unstable situation in both the economy and in politics, however, does not at all inspire domestic investors.

[Tsepkala] A range of specific measures should be adopted to grant them internal guarantees, the absence of which in Belarus, as well as in a variety of other CIS countries, leads to the mass outflow of capital (primarily, of a nonlegal nature) from these countries. According to Western experts' estimates, a total annual outflow of capital from the CIS countries stands between $15 billion and $40 billion. This provides some economists with every reason to state that, in general, the West does not invest in the CIS countries, but the other way around, the countries of the former USSR invest in the economy of developed countries. The leadership of our country is aware of the situation, and relevant measures are being adopted.

In general, it must be stated that Belarus currently has a favorable opportunity to make a breakthrough in cooperation with the EU member-states regarding both credits and trade. For example, we, the first among the CIS countries, have received a proposal to sign a temporary agreement on partnership and cooperation with the EU. Of course, this opportunity should be used with maximum efficiency.

Deputy Premier Views Seminar With World Bank

WS1605091595 Minsk ZVYAZDA in Belarusian 12 May 95 p 1

[Interview with Deputy Prime Minister Mikhail Myasnikovich by BELINFORM correspondent Viktar Sakhankow; place and date not given: "A Road to the Market Economy Leads Through Thorns" — first paragraph is ZVYAZDA introduction]

[FBIS Translated Text] **At a seminar in Minsk, a group of high- level representatives of the Belarusian Government and the World Bank discussed the problem of transforming the Republic's economy into a market-oriented one. The seminar was chaired by Belarusian Deputy Prime Minister Mikhail Myasnikovich, who has agreed to report in detail on this important businesslike meeting to a BELINFORM correspondent.**

[Sakhankow] Mikhail Uladzimiravich, both the West and our domestic opposition circles often voice their criticism on the "sluggishness" of our current economic reforms. Foreign creditors even "take their measures," refusing to provide us with extremely needed credits. I have in mind the IMF's second [credit] tranche. Is the IMF policy shared by those World Bank representatives with whom you conferred at the seminar?

[Myasnikovich] I will begin by stating that, in the course of discussions, Western experts and bankers were provided with every possibility to clarify for themselves the priorities and limitations currently pursued by our government. I think that this was why they were not as categorical in their demands as the IMF experts. In addition, the seminar turned out to be a useful opportunity for Belarusian participants to familiarize themselves with transition period strategies implemented by a number of other countries.

Addresses by Belarusian Government members made a deep impression on the World Bank representatives. They became convinced once again that we are resolute in following the path of reforms. We urged our guests to exhibit patience with regard to the pace of reforms in the Belarusian economy, and asked them to render assistance in resolving the many problems that we are now facing. This particularly refers to the tasks that still remain unresolved.

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[Sakhankow] You mean that our potential creditors were not a bit afraid of even an unprecedented plunge in our production?

[Myasnikovich] The new government worked out an anticrisis program immediately after having assumed its duties. The results of its implementation have proven quite satisfactory. Economic decline was slowed. Last year's GDP, as compared to the previous year, decreased by only 20 percent. Investments decreased by about 25 percent. Prices for commodities are gradually being freed. Prices for basic foodstuffs have been freed, too; there was also a significant increase in prices for housing and public utilities. The increase in prices in 1994 by a factor of 23 was not forced by mere inflation, which was boosted by indeterminate fiscal and monetary policies, but reflected a price regulation intended to bring prices in line with global ones. The government has actually succeeded in reducing the budget deficit to 3.5 percent of the UVP [expansion unknown], as compared to 5.6 percent envisioned by the anticrisis program. We convinced the World Bank representatives that this had become possible due to a considerable reduction or the full cancellation of subsidies for consumer goods, as well as to the introduction of essential budget restrictions with regard to state enterprises. It was acknowledged that excessive credits to the agro-industrial complex had prompted an increase in inflation last year. By making conclusions from past failures and implementing agreements with the IMF, the government intends to prevent this from occurring in the future.

[Sakhankow] As far as I have learned from other sources, Western financial tycoons are also alarmed by the pace of small and large privatization in the Republic. What demands were voiced regarding this issue?

[Myasnikovich] These demands were basically satisfied by an appropriate presidential decree, except for — it must be admitted — specific control figures of privatization, and possible cancellations of formerly adopted resolutions. This, however, refers only to corruption cases in the process of transferring ownership rights. Therefore, the government has once again appealed to the World Bank for assistance in restructuring enterprises in the process of privatization.

The minister of agriculture and foodstuffs stated at the seminar that the pace of reforms in the agro-industrial complex is accelerating. Over the last two years, 740 kolkhozes and sovkhozes have transferred all their property, except for their land, to farmers; 11 percent of the agricultural areas have actually been transferred to private owners, too. Now we need support from foreign creditors to develop a land cadaster, allocate and register land plots, transfer equipment and buildings to private owners, create service companies, and replace those social services currently being provided by the state or by collective farms.

It did not take long for the World Bank representatives to persuade the Belarusian side that it is necessary to launch market reforms based on the model of those implemented, for example, in Hungary or other East European countries. Our cadres are quite ready for them, but there are certain objective realities that must be taken into account. Accelerating and forcing this process may only erect barriers to this serious task.

[Sakhankow] Mikhail Uladzimiravich, everybody knows that our industry cannot claim successes in market transformations, either. How deeply were the World Bank representatives allowed to delve into our industry's problems?

[Myasnikovich] First, we must now resolve the difficult tasks of privatizing large state enterprises without any significant private capital investments. It is very difficult to find investors who could buy those enterprises. Direct foreign investments would suit this purpose best. Unfortunately, no macroeconomic environment exists in the Republic, which could stimulate the inflow of foreign investments.

The situation is also becoming aggravated because the government has not adopted any definitive resolution on the extent of budget assistance rendered to enterprises until their privatization. We informed participants of the seminar that in the near future we are going to issue credit for developing private entrepreneurship. This credit, according to experts, will help resolve the problem of investments in the post-privatization period. Participants in the seminar agreed that the main goal of a transformation process lies in the transfer of production capital by nonprofitable enterprises to economically healthier ones, which are capable of competing on the global market. This process may include not only modernization and privatization, but also bankruptcies and liquidations. True, we still have to work out a procedure for bankruptcies.

[Sakhankow] Thus, you primarily presented a view on economic reforms as seen through Belarusian eyes. To what extent does this view coincide with the World Bank's experts?

[Myasnikovich] During our concluding session, World Bank's Department Director Basil Kovalski presented his own view of the path that should be followed by Belarus to reach its "market wealth." He paid special attention to the importance of the market factor in determining prices, diminishing the inflation rate, stimuli for increasing production effectiveness, and support

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for infrastructure. Our Western partner compared the transition period to a car driving toward an effective economy as its final destination. Prices in such a model assume the role of road signs, allowing producers and consumers to determine which direction should be taken to achieve higher effectiveness. Inflation should be kept under control, because it can be compared to fog preventing visibility of road signs, and the making of correct decisions. Financial stimuli, reinforced by the discipline of strict budget relations, are like fuel for keeping the entire process on the move. Furthermore, knowing that the government will not render assistance to those enterprises wasting their resources, is an invaluable stimulus to heighten production effectiveness. Finally, the infrastructure and a healthy macroeconomic environment constitute the road to a well-functioning market economy. Notwithstanding the fact that driving the car of production, and adopting resolutions on the use of resources based on their market prices should be accomplished by the private sector, the government plays a very important role in the market economy by providing this process with the necessary infrastructure and conducting marked-oriented policies.

Convincing, is it not? In this sense, the sides have reached a deeper understanding of existing problems and prospects for their resolution. The seminar provided a good footing for establishing partner relations connected with the transition of our economy to the market. Both the World Bank and the Belarusian Government will strive to more operatively react to arising problems, and take measures for their resolution. This is possibly the main result of the Minsk meeting with the World Bank representatives.

Chyhir: Inflation Will Not Exceed 10 Percent

LD1605112395 Moscow INTERFAX in English 0912 GMT 16 May 95

[FBIS Transcribed Text] MINSK, May 16 (Interfax-West) — In Belarus, the rate of inflation will not exceed 8 percent in May and will not be higher than 10 percent in the future, Belarusian Prime Minister Mikhail Chyhir told a press conference in Minsk.

Speaking about an IMF delegation's recent visit to Mink, he said that it was positive about the results of the Belarusian government's work on the budget and on the monetary and credit policy. The IMF experts stated, however, that the privatization of state property was not proceeding very successfully in Belarus.

Chyhir said that during Russian Vice Premier Aleksey Bolshakov's visit to Minsk, a protocol was signed on the completion of the first stage of the program for creating a Belarusian-Russian customs union. He said that "the two countries have passed over to the second stage of the project" during which "a single pricing policy" will be shaped and an agreement on an inter-state payment union will be signed.

Moldova

General Lebed on Nationalism, NATO

BR1605125995 Oslo AFTENPOSTEN in Norwegian 15 May 95 p 7

[Interview with Russian General Aleksandr Lebed by Halvor Tjonn: "General Defies Elite in Moscow"]

[FBIS Translated Text] General Aleksandr Lebed is the man the Moscow establishment fears more than anyone leading up to the Russian presidential elections next year.

Tiraspol, Transdnestr — His voice is the very lowest bass register. The eyes are intense, the face almost expressionless. Even when he is obviously saying something humorous, there is no trace of a smile around his mouth. The unanimous opinion of the men of the 14th Russian Army is that this man stands head and shoulders above ordinary mortals.

To outsiders there might easily be something comic about the worship of Aleksandr Lebed among the ranks of his soldiers. However there is no doubt that he is a formidable figure. Both his friends and his enemies agree on that.

Since 1992 he has commanded the 14th Russian Army, which has guarded the peace and the Slavic-speaking population of Transdnestr on the border between Moldova and the Ukraine. He has performed this task so successfully that he has become a man to reckon with on the political scene in Moscow, in spite of the fact that he is normally found far outside Russia's borders in an out-of-the-way corner of the former Soviet empire.

As his popularity has grown, his former superior and sworn enemy, Defence Minister Pavel Grachev, has made repeated attempts to have him removed. When Lebed became known as an uncompromising opponent of the military adventure in Chechnya, that was the last straw.

Lebed was to be taken out of the way by making him defence minister in far-away Tadzhikistan, the Defence Department in Moscow decided. He refused and managed to have the decision overturned. Rumours recently leaked out that Grachev wanted to send Lebed to Siberia as second-in-command of the Transbaikal Military District. The outcome of the duel between the

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two generals is eagerly awaited in political circles in Moscow.

We were received by General Lebed in his office: "Hello, General, we are from AFTENPOSTEN, Norway's most. . ." But the general is not interested in any introductions, either from his guests or himself: "Sit down! Get started! We have 30 minutes," he growled and pointed at a chair.

For an hour and a half we remained sitting in General Lebed's office. He answered all questions with military precision, except for one: whether he intended to run in the presidential election in June 1996.

[Lebed] "Today I cannot answer the question of whether I will be a candidate for president. It depends on the situation when the time comes."

[Tjonn] "And what would the situation have to be in order for you to run?"

[Lebed] "If grandmother had a beard, she would not be grandmother, but rather grandfather. Such hypothetical situations remain, in other words, hypothetical, and I do not want to discuss them," he answered. As laughter went around the room, he sat immovable behind his desk with his arms crossed.

In the preliminaries to the presidential campaign next year, new groupings and movements are steadily cropping up offering the Russian people different political solutions. Some of these movements are political mayflies, but others are of a more lasting nature. Lebed has associated himself with a group which carries the name "Congress of Russian Communities." It is a nationalist movement, but without the anti-semitism and hatred of foreigners which marks other Russian groups in the same camp.

[Lebed] "The Congress of Russian Communities is based on the fact that 148 million Russians live in Russia, while an additional 25 million Russians live in other states of the CIS — Commonwealth of Independent States," he said, with an ill-concealed undertone.

[Lebed] "Russia is a rump state as long as 18 percent of the nation lives outside the country's borders. What must be done? Russia is a country which takes up an eighteenth of the world's surface and has a huge potential. Nevertheless there are many states with much fewer resources where the people live much better. In other words, it is a question of organizing our community in a better way. Russia must be organized in such a way that the country can assume its rightful place in the world."

"In our efforts to unite all Russians on higher matters, we define the concept of 'Russian' in the widest possible sense," he continued.

"This is because you find a Tartar if you follow any Russian's family tree back far enough. In short, a Russian is a person who sees himself as a Russian citizen, speaks Russian, and takes part in the unfolding of Russian culture. We want to unite all these people for the good of Russia."

[Tjonn] "That would seem to indicate that you either want to move Russians living outside the borders to Russia proper, [or] possibly move into the other republics to protect them?"

[Lebed] "The question is phrased incorrectly. It is impossible to move 25 million people to Russia. Conditions must be created so that they can live where they are."

[Tjonn] "Some time ago you told a Czech newspaper that an expansion of NATO would mean the beginning of the Third World War. Do you stand behind that?"

[Lebed] "The Czech correspondent I talked to must be an alarmist. And besides, I never talked to the journalist who is purported to have written the article to which you refer. But in any case, the situation is that until recently we had two blocs, NATO and the Warsaw Pact, faced off against each other. Then the Soviet Union collapsed like an old building falling into ruins. The Warsaw Pact disappeared like the morning dew. In short, the West won the Cold War. The only superpower left was America. In this situation, when the Cold War has been won and the other superpower has been defeated, the decision was made to expand NATO to Russia's borders."

"Chekov wrote that if a rifle is hung up on the wall during the first act of a play, you can be sure that the rifle will be used in the last act. When NATO has expanded, we will stand face to face. In other words, the rifle will be hanging on the wall. This means that everything depends on who owns the weapon. Nobody can guarantee who will become president of the United States next time around. What if it were decided in the last act to stage an 'Operation Taiga Storm'? Even if NATO says that it has no enemies, it is clear that it is Russia who is the enemy. If you think that the enemy is China, you should build a different military bloc instead."

[Tjonn] "And what will Russia do if NATO is expanded? "

[Lebed] "Russia will go back on all agreements and programs for disarmament. We will re-arm instead."

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[Tjonn] "In the beginning you were criticized for going against Russian policy in Chechnya. Today you are criticized for having toned down criticism of the war. Where do you stand?"

[Lebed] "This is all just a lot of noise. Bertolt Brecht wrote once that the sheep bleat and the drums beat. Those who went to war were the sheep who were led to the slaughter. Grosnyy is ruined and cannot be rebuilt. The war will go on forever. The lesson we learned in Afghanistan was the following: The man who came home in the evening and found his house ruined and his family killed was transformed into a wolf. This wolf will fight to the last with every means at his disposal. That we are sending 18-year olds into a battle with wolves like this is absurd and laughable." "

Your supreme commander is General Pavel Grachev. How would you characterize your relations with him?"

"They are stable. Non-existent."

Lebed Says He Will Only Yield to Force

AU1505122995 Hamburg DER SPIEGEL in German 15 May 95 p 160

[Interview with General Aleksandr Lebed by unidentified reporter; place and date not given: "I Will Only Yield to Force"]

[FBIS Translated Text] [DER SPIEGEL] You are threatening to resign. Has Defense Minister Grachev finally succeeded in getting his rebellious general down?

[Lebed] I will keep my post with the army I command, and I will only yield to force. For three years we have done everything possible to preserve peace on the embattled soil of Moldova. The parties to the conflict have always known that I am a fair commander who will rap on the knuckles those who take up arms again.

[DER SPIEGEL] There are plans to dismantle your 14th Army. The army and Lebed are to be eliminated.

[Lebed] That is a crime. No final political settlement has been achieved in the Dniester region. Only enormous weapons depots exist there. If Grachev does not reconsider his decision, my resignation is unavoidable. Let us wait and see who will lose.

[DER SPIEGEL] Is no other position for you in sight?

[Lebed] The minister has not submitted any official offers, and the unofficial ones all smacked of banishment: I am to be sent as far as possible from the place of action — to Siberia, to Lake Baykal, where rusty guns are used as a deterrent and where newspapers arrive five days late.

[DER SPIEGEL] Do you feel unfairly treated?

[Lebed] The 14th Army has saved the Dniester region. Grachev's aides — his son's father-in-law and his personal assistant — have become colonel generals. Lieutenant General Rochlin, whose soldiers were the first to be slaughtered in the Groznyy basin, does not even receive tombstones for the fallen from the state.

[DER SPIEGEL] What do you accuse Yeltsin and Grachev of?

[Lebed] How often have the two announced an end to the hostilities? How often have they played down the losses of our troops and the number of civilian casualties? Just now Yeltsin has again claimed that the war has ended, and that the "reconstruction work" has begun. There is nothing to rebuild in Groznyy. The place is infested and should be leveled. Then a monument should be erected there: "This was the capital Groznyy, founded in 1818 by the Russian General Yermolov, destroyed in 1995 by the Russian General Grachev.

[DER SPIEGEL] Do you now want to become the leader of all who are dissatisfied and restore order in Russia?

[Lebed] As Goethe wrote, "If you do not hurry, we will have to pay dearly."

[DER SPIEGEL] You recently attended a "Congress of Russian Communes Abroad." Are the 25 million Russians in the neighboring countries your future pressure group?

[Lebed] A divided people are a crippled nation. What Willy Brandt told the Germans in 1989 — that which belongs together must grow together — also applies to the Russians. No matter what reasons are cited for the division of people with the same blood and the same spirit — they long for their home country....

[DER SPIEGEL] ...which can lead to conflicts with Russia's neighbors.

[Lebed] Clinton is trying to obtain information on one missing American. The Russian president leaves millions of excluded Russians in the lurch.

[DER SPIEGEL] Will you run in the upcoming elections in Russia?

[Lebed] First I will hold out. The minister is trying to push me out of active service. If he succeeds, I am free to start a political career. The Russians will soon tell whether they want me or not.

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Lebed on 'Danger' Posed by Elimination of 14th Army

AU1605160995 Chisinau BASAPRESS in English 1958 GMT 15 May 95

[FBIS Transcribed Text] Chisinau, BASAPRESS, 15/5/1995 — At Friday's press conference [12 May], the 14th Army commander presented a hierarchy of the political figures that can be blamed for the bloody outcomes of the liquidation of the Dniester-stationed Russian troops command. President Yeltsin is at the top of this hierarchy. In Lebed's opinion, Yeltsin's entourage does him a bad service capitalizing on the fact that the president is not aware of these outcomes. To Grachev, target of a volley of criticism for the Chechen campaign, Lebed gives some credit hoping that "common sense" will make him revoke his order. A resumption of Dniester conflict, which might embrace larger territories and "fasten the Balkan-Caucasian fire belt," should make Moscow officials reconsider their opinions. Asked by BASA if he exchanged opinions with President Snegur on these possible outcomes, Lebed said "it would be strange for a Russian army commander to submit report to the Moldovan Army supreme commander." Lebed said Snegur has few reasons to like the 14th Army commander "but he can think." Tiraspol leaders who, in Lebed's opinion, objectively represent a force in the region, are regarded by him with despise. Firstly because they unjustifiably claim all 14th Army properties. Secondly, they set conditions Chisinau is not able to fulfill. Asked why pro-Smirnov reporters were not admitted in the press-conference hall, Lebed said he granted access to all kinds of press except the "gutter press" as he lacks "sufficient disinfectants necessary to clean the Headquarters." With similar sarcasm Lebed treated the Moscow parliamentary delegations that travelled to Tiraspol but did not go to the bother of familiarizing with the situation in the army first hand. Speaker Vladimir Shumeyko was reproached for the statements that 85 14th Army soldiers are Russian citizens: In fact, all 10,000 soldiers are Russian citizens.

On whom does Gen. Lebed count when he says that the 14th Army liquidation as the only force capable of keeping control over the stupendous amounts of weapons may eventually lead to a war "of all against all?" Who should display clear-sightedness: Yeltsin or Grachev? Answering to these questions, Lebed said he counts on "common sense, but it does not matter who will to that." Will the two nominees designated by Lebed show clear-sightedness and non- complicity in the conditions when the general stated "a large-scale rime is being framed in Dniester," which aims at distracting attention from the Chechen military campaign?

The material support of the horror forecasts by Gen. Lebed was presented in new details and comparisons. At the Colbasna military depository, 2,600 wagons of munition were concentrated of which 1,200 are stored directly on the ground. Calculated as pure explosive substance there are 500 wagons of TNT, which is three times the potential of the ill-famed Pacific Ocean Fleet military depositories which blew up. Lebed said during the execution of the Defense Ministry directive it will be impossible to control all 14th Army munitions and equipment as potential pretenders "are on the prowl for easy prey." Gen. Lebed alluded that not only Chisinau or Tiraspol officials but also arm traffickers from the hot spots of the former USSR, including radical Ukrainian nationalists, want to get control over them. The fact that the Colbasna depository is situated as little as 1,800 meters from the Ukrainian border may only arouse concerns for Kiev authorities. Lebed said there is already a concentration of additional forces of Dniester guardians and Moldovan special detachment, whereas Ukraine has posted extra border pickets.

If the danger caused by Minister Grachev's order is so obvious isn't it possible that other political figures or international organizations get involved in preventing the conflict? Lebed gave an equivocal reply as his "alternative plans have only been drafted." Being an experienced paratrooper, Gen. Lebed by all means has several reserve landing spots which he does not hasten to disclose before any reactions from Moscow.

PSDM Leader: Party Ready 'To Fight for Power'

AU1605161795 Chisinau BASAPRESS in English 1958 GMT 15 May 95

[FBIS Transcribed Text] Chisinau, BASAPRESS, 15/5/1995 — The local elections have proved that the Moldovan Social Democratic Party (PSDM) is able to fight for power; it has overcome the crisis experienced after the 1994 parliamentary elections, PSDM Chairman Anatol Taran stated at a press conference devoted to the PDSM's 5th anniversary. He said official data show that PSDM has 300 local councils, almost the same number of Socialist Party — "Unitate-Edinstvo" Bloc councillors. Taran stated the PSDM began elaborating its platform for the presidential campaign in which it will

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participate though "we have not yet nominated our concrete candidate." "The manner in which President Snegur named Chisinau city councillors makes us believe that he does not need our votes during the presidential campaign," said Taran. Evgeni Okhrimenko, one of the PSDM candidates for Chisinau City Council, stated "after the appointment of councillors by the President there will be no political responsibility for everything is going to happen in Chisinau" since no political party will assume it.

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Kazakhstan

Ministry Expresses 'Concern' Over PRC Test

LD1605121195 Moscow ITAR-TASS World Service in Russian 1137 GMT 16 May 95

[By ITAR-TASS correspondent Gennadiy Kulagin]

[FBIS Translated Text] Almaty, 16 May — The Ministry of Foreign Affairs of Kazakhstan today expressed "serious concern" over the new nuclear test conducted by China on Monday.

A statement issued here today says: "The Ministry of Foreign Affairs of Kazakhstan is authorized to express serious concern at the continuing of nuclear tests in the PRC. It is evident that nuclear explosions are fraught with causing serious medical-biological and technical damage to the region in immediate proximity of the Chinese test site."

The statement from the Ministry of Foreign Affairs of Kazakhstan emphasizes that as a permanent member of the UN Security Council China should bear special responsibility for maintaining global peace and stability and for progress on nuclear disarmament. Kazakhstan expresses the hope that the People's Republic of China will make a constructive decision on a nuclear test moratorium, the Foreign Ministry statement says.

Paper on PRC Border Questions, Expansionism

LD1605131495 Almaty EKSPRESS in Russian 12 May 95 p 2

[By Vitaliy Khlyupin; first of two installments]

[FBIS Translated Text] Since diplomatic relations were established between Kazakhstan and the People's Republic of China, the Chinese have been energetically whipping up the "border question." The tension was somewhat reduced after President Nazarbayev's official visit to Beijing at the end of 1993. A return visit by Chinese State Council Premier Li Peng in April 1994 followed, during the course of which the long-awaited agreement on the Kazakhstan-Chinese border was signed. At the time Nursultan Nazarbayev stated that "a historical accord has been reached, which sets out in legal form the border between the two states." A careful analysis, however, shows that such optimism was unfounded.

In an official interview, which Chinese leaders gave to Kazakhstan's press after the visit, they said "an insignificant sector of the border is yet to be agreed." In other words, the problem remained after the agreement was signed. One has to wonder what it was that was actually stated in the agreement, since it was never published.

According to the fairly impenetrable reports from Kazakh State Television and Radio, the Chinese and Kazakhstan leaderships agreed nine of the 11 disputed border sectors. It is unclear in whose favor they were agreed. The very fact that an agreement on 50 million yuans in credit for Kazakhstan was signed in parallel with the agreement prompts one to make unfortunate associations with the Panama Canal and Alaska (although on a lesser scale). If one recalls how China deals with "small volumes," one might ask whether these "small sectors" that have yet to be "agreed" include, say, Almaty.

The question of where the Kazakhstan-Chinese border runs thus remains open. This was recently confirmed by the October 1994 resolution of the Kazakh Cabinet of Ministers on Implementation of Agreements and Accords Reached During the Official Visit to Kazakhstan of Chinese State Council Premier Li Peng, according to which the National Security Committee and the Foreign Ministry of the Republic of Kazakhstan were instructed to submit proposals for consideration by the government on demarcation of the state border by 1 November.

An interview that Chan Deguan [name as published], the Chinese ambassador to Kazakhstan, gave to the EKSPRESS newspaper is also typical. Asked whether there were now any territorial problems between his country and Kazakhstan, he answered: "There are certain issues on which there is a need for continuing discussion"; and that although he "would not say that any Kazakh land was subject to dispute," there was a need to "discuss certain sectors." He continued in a familiar manner: "Let us take a trip back into history"; "the border exists because of treaties that were signed by Tsarist Russia and China at a time when China was very weak and Russia a mighty empire." "There is thus a need to look at what the treaties say" and to "demarcate the border on the basis of these treaties."

Furthermore, from the way the ambassador said confidently and clearly that "China is ready to demarcate the border, and will do so," one might suppose that everything was already decided and that Kazakhstan had accepted China's conditions.

A significant interview. Take away the diplomatic niceties and the ambassador's caution, and we are left with the official Chinese position — a tough and consistent one — that the treaties with Tsarist Russia were unjust, that the border must be demarcated, and that the Chinese leadership is ready to demarcate them and will do so. That is a portrait of Kazakhstan's "peaceloving" neighbor.

To get an answer to the most important question — whether China might attack Kazakhstan — there is no

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need to get into a debate on hegemonism in Maoist ideology. It is much simpler than that: According to calculations made by Chinese experts, the natural resources and economic potential of the People's Republic of China, within its current borders, are sufficient to sustain a population of 1.5 billion people. There are now about 1.2 billion Chinese, and by the year 2000 there are likely to be exactly 1.5 billion. What then? What is to be done with the gigantic population? China already has a tough birth control program in operation, but that is not the solution. The economy that now exists is not capable of feeding everyone. There is only one way out: To seek new resources and expand the territory.

Of course, one cannot now speak of open Chinese military aggression. One can even say with a fair amount of confidence that as long as there are nuclear weapons (in any form) on the territory of Kazakhstan, adjacent countries will behave in a correct manner. No one wants war or even the smallest of serious conflicts with a nuclear state because of the danger of a counter-strike. However, in accordance with the agreement signed with the Russian Federation in spring this year, 104 warheads from Kazakh missiles have to be dismantled and taken to Russia over a 14-month period. Forty Tupolev Tu-95 aircraft capable of carrying nuclear weapons have already been redeployed (in winter 1993-94) to our northern neighbor.

The initial Chinese penetration of Central Asia is clearly most likely to be a "quiet, velvet expansion" — the appearance in Kazakhstan of various small Chinese enterprises, joint ventures, solid firms and banks, hired workers and peasants, and "tourists." They will till up border districts, gradually adapting not only the market but also the demographic situation. There is no need to prove that this process has already started, and it is not just in Kazakhstan that there is concern about this second, economic and demographic, invasion. For example, MY, the Russian-American supplement to the IZVESTIYA newspaper, writes openly that "there really is a process of Chinese expansion, but it is taking place so quietly that it is virtually impossible to analyze it statistically."

All in all, China currently has territorial claims against at least seven neighboring states, from Brunei to India. As recently as 1962, 38,000 square kilometers of territory were seized from India, and have been retained up until today.

The military preparations of our eastern neighbor are cause for concern. According to figures cited by the analyst D. Shambo in the INTERNATIONAL HERALD TRIBUNE, China's military budget started to grow significantly from 1990 onward. By 1992 it had increased by almost 50 percent, once inflation is taken into account. The American news agency UPI cites more precise data: The defense budget grew 15 percent in 1991 and 12 percent in 1992, equivalent to about 10 percent of the entire Chinese state budget. Further growth of 14.8 percent was planned for 1993, and the country is coping with this successfully.

Despite the widely advertised reductions, the Chinese Army continues to be the largest in the world, with 3.2 million military personnel, 2.3 million of them ground troops. Lanzhou military district alone, located directly adjacent to Kazakhstan, has about 200,000 personnel (and this figure can be doubled once reserves have been mobilized), outnumbering the combat personnel of Kazakhstan's Armed Forces about 10 or 15 to one.

American analysts of the Rand Corporation estimate that in the event of war Lanzhou district alone could field about 500 tanks, more than 5,000 pieces of artillery and mortars, and up to 450 aircraft, thus achieving supremacy over the Kazakhstani Armed Forces with an advantage of three to one in artillery, 2.5 to one in aircraft, and seven to one in antitank weapons.

Kazakh, ROK Presidents Discuss Cooperation

LD1605143695 Moscow ITAR-TASS in English 1258 GMT 16 May 95

[FBIS Transcribed Text] Seoul May 16 (ITAR-TASS) — South Korean and Kazakh presidents Kim Yong-sam and Nursultan Nazarbayev expressed on Tuesday readiness to develop friendly relations between their countries as well as cooperation in investments, trade, science, technology, culture and other spheres.

The sides signed a communique on the results of the talks, where the sides stated their intention to conclude agreements on protecting investments and avoiding double taxation in the near future.

The heads of state exchanged opinions on the situation in the Commonwealth of Independent States and North Eastern Asia at the talks. Kim praised Kazakhstan's efforts to preserve the nuclear non-proliferation system.

In turn, Nazarbayev expressed support for the inter-Korean understandings on a nuclear-free status of the Korean Peninsula, which came into force back in 1992.

The Kazakh president arrived in Seoul on a four-day visit on Monday.

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Turkish Oil Official Interviewed on Talks

LD1605151995 Almaty PANORAMA in Russian 13 May 95 p 7

[Unattributed report: "Oil: a meeting of the general directorate of the Kazakh-Turkish Kazakhturkmunay joint venture has been held in Turkey"]

[FBIS Translated Excerpt] The deputy general director of the Turkish national oil company, Mustafa Muratkhan, answers the questions of PANORAMA.

[Unidentified correspondent] What was the main problem at the negotiations in Ankara?

[Muratkhan] I would not say that problems abound in our relations with the Kazakh side. On the contrary, there is mutually beneficial cooperation, the search for mutually acceptable decisions. If we speak specifically about the recent meeting, one of the most important issues solved at it was that of increasing Kazakhturkmunay's financing of its contractors — Kazakh enterprises — by nearly 20 percent above the set level. This was linked to inflation and the rise in the minimum wage. Of course, we could not allow the enterprises-contractors to work at a loss. On the whole more than 10,000 people are employed at our enterprises. Annual financing now amounts to approximately $60 million. We have so far already invested $125-$130 million in Kazakhstan's oil. There are in our view three reasons why many investors, who are displaying an interest in your oil, have still not yet decided to invest, despite your obvious potential and prospects. They are: lack of a law on oil to define the rights of foreign partners; frequent changes in tax legislation and the unreliability of the various realistic plans for transporting oil. Representatives of two large American firms visited us last week, and will it seems conclude major contracts with Kazakhstan (I cannot name them yet), but approximately the same circumstances are worrying them. [passage omitted]

[Correspondent] What is your personal view of how the problem of transporting Kazakhstan's oil should be solved?

[Muratkhan] It is possible to draw conclusions on the basis of statistics published in the press. The former Soviet Union used to extract about 550 million [metric] tonnes of oil a year in the mid-1980s, and today Russia extracts 350 million tonnes, although it could yet increase. At the same time, domestic consumption in the former Soviet Union is declining, while the proportion of oil exported is growing. Of course, today's realities are such, that obviously the oil transport flows will pass through Russia for many years yet.

However, extraction around the Caspian Sea will increase considerably quite soon. The estimated capacity of the Tengiz deposit is about 30 million tonnes, another 10-15 million tonnes could be extracted in addition, and the total of Caspian oil could amount to 60-70 million tonnes, together with the new Azerbaijani oil. It is necessary to talk about ways of transporting oil not only because of the limited technical possibilities of Russia to transport such an amount of oil, or the instability of its partners (the East European countries, or Ukraine with its Black Sea ports, could begin to seek other partners), but also because of the low price of alternatives. According to our calculations, the transportation of one tonne of oil to a consumer in Geneva, for instance, could cost more than $6, while by the other more logical way through the territory of Turkey (oil could be transported to Turkey by various routes) it could cost slightly more than $3. In other words, possible losses or earnings from possible export, for instance, of 40 million tonnes of Kazakhstan's oil could amount to about $120 million. That is why we are offering Kazakhstan the creation of a transport network for oil through Turkey's territory to its terminal on the southern coast. This is not just my personal point of view, but the approach of the national company. I would especially like to stress that Turkey has never linked the possibilities of its investments with solving the transportation problem, and it is not doing so now.

Kyrgyzstan

Foreign Ministry Protests China's Nuclear Test

LD1705062795 Moscow ITAR-TASS World Service in Russian 0330 GMT 17 May 95

[By ITAR-TASS Correspondent Boris Maynayev]

[FBIS Translated Text] Bishkek, 17 May — Kyrgyzstan's Foreign Ministry has qualified the recent nuclear weapons test carried out by China as an unfriendly act. In a statement published today, the ministry expressed deep concern about continuing underground nuclear explosions in the neighboring state.

Kyrgyzstan, as a state neighboring with China, is justifiably and increasingly anxious about the ecological situation and the health of the people in the region, the statement says.

The Foreign Ministry of Kyrgyzstan believes the continuous tests cannot help to strengthen the measures of trust and security in the Asian region.

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Foreign Minister, Russia's Chernyshev Hold Talks

LD1505130795 Moscow ITAR-TASS in English 1225 GMT 15 May 95

[By Boris Mainayev]

[FBIS Transcribed Text] BISHKEK, May 15 (Itar-Tass) — The situation regarding Tajikistan and the situation in the CIS were discussed on Monday [15 May] by Kyryiz Foreign Minister Roza Otunbayeva and Russian Deputy Foreign Minister Aleksandr Chernyshev.

The situation in and around Tajikistan is now complicated, Chernyshev told Itar-Tass after the talks. There is only one way out. All countries of Central Asia, Russia and the Commonwealth should help Tajikistan economically, politically and militarily as much as they can. Tajikistan's border is the southern border of the CIS, and measures should be taken to protect it.

A political process is underway in Tajikistan, Chernyshev said. A referendum has been held, parliament formed, president elected. Economy is undergoing transformations. The advance to democracy is apparent, and this gives reason for confidence. It is in the interests of countries of the region to do their utmost toward the establishment of peace and national accord between the conflicting parties. There exist opportunities for this. The fourth round of negotiations between the conflicting parties is planned to be held in Almaty on May 22. Everything will depend on their goodwill.

The situation around Tajikistan and also a number of problems of Central Asia, the Asian region and the entire Eurasian expanse were discussed during the conversation with the Kyrgyz Foreign Minister, Chernyshev said. Prospects for the development of relations between countries were touched upon. The consensus has been reached that all countries of the Commonwealth should co-exist instead of flaunting sovereignty. This is the way to do good to peoples, Chernyshev said.

Chernyshev left for Almaty on Monday.

Akayev Receives CIS Labor, Social Security Ministers

LD1505164695 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 1300 GMT 15 May 95

[FBIS Translated Excerpt] Republic President Askar Akayev today met with the heads of a delegation, members of the Consultative Council on Labor, Migration, and Social Security of the CIS states. They are the labor and social security ministers of the Commonwealth states.

Akayev warmly welcomed the guests onto Kyrgyz soil. Our people are waiting with great interest for the beginning of the work of the Consultative Council, he said. Today social problems are still very urgent and very critical. The head of state told those present about the economic situation in Kyrgyzstan. He said the republic's government is taking steps to mitigate the negative consequences of reforms being carried out.

The president did not conceal that the uncontrollable immigration by rural people into towns where, unfortunately, industry has almost come to a standstill, where there are no jobs, is causing particular alarm. Unemployment in the republic has reached danger point, the president said. Over 10 percent of the able-bodied population is unemployed.

We have created a modern system to address the protection of people. We have registered needy people — pensioners, invalids, students — in every region. I think we have delayed implementing the project. I think the final documents, which the Consultative Council will adopt, will urge the leaders of every state and government of the Commonwealth of Independent States to make a priority of solving the social problems, which are alike in every republic of the former Soviet Union. The questions of social security must be always in the first place for the leaders at all levels. [passage omitted]

Government, Unions Sign 1995 Accord

LD1605071695 Bishkek Kyrgyz Radio First Program Network in Russian 1300 GMT 15 May 95

[FBIS Translated Text] With a view to carrying out concerted actions on the main issues of social and economic policy regulating labor relations, promoting a socially oriented market economy, increasing workers' social guarantees, stabilizing the social and economic situation, and preserving civil peace and accord in the society, the government of the Kyrgyz Republic and the Council of the Federation of Trade Unions of Kyrgyzstan have signed a general accord for 1995.

In the light of this, the sides set out their priority objectives and tasks: ensuring the growth of economy, increasing the employment of the people, developing labor markets, reducing the gap between the cost of living and the people's income on the basis of raising the republic's economy, ensuring that social payments are paid on time, increasing the people's targeted welfare protection, increasing workers' labor security and health at the workplace, ensuring ecological security, preserving the basic foundations of the health service on a government basis, rendering free, urgent and vital types of medical aid to the people, combatting

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the savage increase in crime, ensuring citizens' personal and property immunity, giving legal security to labor relations, and developing social partnership.

Premier Discusses Problems of Light Industry

LD1605182095 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 1742 GMT 16 May 95

[FBIS Translated Text] Prime Minister Apas Dzhumagulov of the Kyrgyz Republic yesterday met with directors of light industry enterprises to discuss with them the sector's problems and to find ways out of the very difficult situation in which most collectives find themselves. The government, he said, has done all it could for enterprises in light industry - it prohibited the export of raw material resources and helped to liquidate nonpayments, but the state of affairs is not improving with this. Enterprises are coming to a standstill and their goods are not being sold; investments are not being utilized and taxes are not being paid into the budget; people are not receiving their wages and so on.

Such is the situation, for example, at the Osh integrated textile works joint-stock company, which is actually bankrupt today. The situation is no better at the Alamudin fur factory, and at the Osh and Karakol clothing factories, nor is it better at the Azim joint- stock company in Talas, the rubber factory in Naiman settlement, Osh region, and in many others.

Perhaps only the Bishkek experimental tanning enterprise exists successfully in market conditions, seeking alternative ways out of the difficult economic situation.

The way out of the crisis depends only on the initiative and energy of the heads and of every shareholder of enterprises today. Enterprises will be declared bankrupt and closed down unless this is put into effect.

Tajikistan

Democratic Party Issues Declaration on Kabul Talks

LD1605135995 Dushanbe KHOVAR in Russian 0900 GMT 16 May 95

[FBIS Translated Text] Tehran, 15 May [as received] — Participants in the inter-Tajik negotiations, which opened in Kabul today, have arrived in the capital of Afghanistan. Security Minister Saidamir Zukhurov leads the Tajikistan Government delegation and Haji Akbar Turajonzoda represents the opposition.

The Democratic Party of Tajikistan [DPT] (leader: Shodmon Yusuf) circulated a declaration here on the eve of the Kabul meeting. The constructive approach by the leadership of Russia, Tajikistan, Afghanistan, and Iran, as well as the other sides concerned in the Tajik problem, has allowed the negotiations to be organized. Today, the restoration of peace in Tajikistan and stability and national accord in the whole of the Central Asian region depend on goodwill from these countries, as the DPT document emphasizes.

The declaration says that the DPT, as always, calls for an exclusively peaceful settlement to the inter-Tajik conflict. It notes the importance of the forthcoming meeting between Tajikistan President Emomali Rakhmanov and Sayed Abdullo Nuri, leader of the Islamic Revival Party. According to the DPT, this event will be a turning point on the path of leading the republic out of a prolonged and fratricidal war.

Rakhmanov Departs for Kabul Talks With Opposition

LD1705093595 Dushanbe Radio Tajikistan Network in Tajik 0600 GMT 17 May 95

[FBIS Translated Text] This morning our President Emomali Rakhmanov flew to the Islamic State of Afghanistan. The heads of the government and Supreme Assembly and other officials of the republic saw him off at Dushanbe airport.

He will have a meeting in Kabul with Sayed Abdullo Nuri, the leader of the Islamic movement of Tajikistan.

Yeltsin Envoy Arrives in Kabul as Talks Due To Start

LD1705082995 (Clandestine) Voice of Free Tajikistan in Tajik 0300 GMT 17 May 95

[FBIS Translated Text] Aleksandr Ablov, a special envoy of the Russian president on Afghan affairs, arrived in Kabul yesterday.

According to our correspondent's report, Ablov intends to smooth diplomatic paths between Kabul and Moscow, which have deteriorated since the departure of the Soviet Army.

Mr. Ablov's visit to Kabul, coming at the same time as the meeting between the leaders of the two conflicting wings in Tajikistan, may have some connection with this meeting.

However, our correspondent said that it is not clear yet whether Mr. Ablov, as a special envoy of the Russian president, will play any part in this meeting.

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Islamic Movement Leader Meets Afghan President Rabbani

LD1705083995 (Clandestine) Voice of Free Tajikistan in Tajik 0300 GMT 17 May 95

[FBIS Translated Text] According to our correspondent's report from Kabul, President Borhanoddin Rabbani of the Islamic State of Afghanistan had a meeting and conversation yesterday with Professor Sayed Abdullo Nuri, the leader of the Islamic Movement of Tajikistan.

Prof. Haji Akbar Turajonzoda and Prof. Muhammadsharif Himmatzoda, the deputy leaders of the Islamic Movement of Tajikistan also participated in this meeting.

At the beginning of the meeting between Abdullo Nuri and Rabbani, the leader of the Islamic Movement spoke about the situation in Tajikistan, the life of the refugees, and the Islamic Movement's recent achievements.

Rabbani welcomed the peaceful efforts by the leader of the Islamic Movement of Tajikistan and said that Afghanistan always has been and will continue to be a supporter of a political settlement to the Tajik problem.

Our reporter said that Rabbani expressed his satisfaction with the fact that at last, after three years of conflict, high-level leaders from the two sides in Tajikistan are meeting each other.

Uzbekistan

Karimov Holds Reception for Slovak Delegation

LD1705100195 Tashkent PRAVDA VOSTOKA in Russian 17 May 95 p 1

[FBIS Translated Text] On 16 May President Islam Karimov of the Republic of Uzbekistan received a delegation from the Slovak Republic led by Sergej Kozlik, the deputy head of government and finance minister.

The president noted that cooperation between Uzbekistan and Slovakia is increasingly developing and that there is a great deal of unused potential for further strengthening it. He stressed that this visit by the Slovak Government delegation would be fruitful in this respect.

Sergej Kozlik noted that the Slovak Government pays great attention to extending cooperation with Uzbekistan, particularly in the trade, economic, scientific, and technical fields.

Uzbek Deputy Prime Minister Otkir Sultanov and Foreign Minister Abdulaziz Kamilov attended the reception as did Roman Bohdan, the Slovak ambassador extraordinary and plenipotentiary to Uzbekistan.

The same day, the Slovak Government delegation visited the Uzbekistan Ministry of Finance and Ministry of Foreign Affairs.

Trade, Cooperation Agreements Signed

LD1605175895 Moscow ITAR-TASS World Service in Russian 1714 GMT 16 May 95

[By ITAR-TASS correspondent Vilor Niyazmatov]

[FBIS Translated Text] Tashkent, 16 May — Trade and economic relations between Uzbekistan and the Slovak Republic do not match the two states' potential. We know Slovakia as an industrially developed country, and mutually advantageous cooperation between the two countries will undoubtedly help us to attain our goals as soon as possible, Islam Karimov, president of the Republic of Uzbekistan, said today while receiving Sergej Kozlik, deputy prime minister of the Slovak Republic, who arrived today in Uzbekistan as head of a Slovak government delegation.

As a result of the talks, agreements between the governments of Uzbekistan and Slovakia on trade and economic and scientific and technical cooperation as well as an agreement on stimulating and mutually protecting investments were signed.

State Aid Withdrawn for Bankrupt Enterprises

LD1605150195 Moscow INTERFAX in English 1233 GMT 16 May 95

[FBIS Transcribed Text] TASHKENT, May 16 (Interfax) — The state will no longer act as a financial "donor or a rescue team for bankruptcies", Uzbek President Islam Karimov said on Tuesday [16 May] at an extended meeting of the republic's Cabinet of Ministers.

Speaking about the results of the first three months of 1995, the president said that "the genuine process of reform in the republic is tied down by, in many respects, by the managers' inertia, on their unwillingness to assume responsibility." Karimov believes that the denationalization and privatization "offer colossal rights" to work collectives, however, "many of them are not in a hurry to carry out auctions, which is the only correct way to boost production."

The president said that "the faulty knowledge about the demands of the market, the absence of the marketing services, practically reduces to naught the work of dozens of thousands of people. Hence mutual nonpayments and debts and inflation in the republic," he said.

Due to this, the government banned from June 1 the rescheduling of debt repayments by enterprises to

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commercial banks, and, in six months time, on the basis of the law on bankruptcy, the government declared it will stop financing construction projects, "which are not fully financed". The debtor enterprises are instructed to change their form of ownership or be auctioned off, said Karimov.

The president expressed dissatisfaction that "practically not a single large enterprise or concern in Uzbekistan" has subsidiaries or offices abroad. He believes "this is bound to lead to the loss the country's traditional markets, which will be very difficult to win back."

At its meeting the government took a decision to allow some associations and concerns to sign individual contracts to export their products, with further sale of part of hard currency earnings to the Central Bank. Such an opportunity was given to Uzlegprom, Uzzagottorg, Uzplodoovoshchvinprom and Uzbekneftegaz.

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Armenia

ICRC Delegation Leader Discusses POW Issue

NC1605152695 Yerevan NOYAN TAPAN in English 1542 15 May GMT 95

[Interview with ICRC delegation leader Erwin Boe by unidentified NOYAN TAPAN correspondent; place and date not given]

[FBIS Transcribed Text] 15/05/95 NOYAN TAPAN—As of May 13, 28 Armenian POWs and civilians were delivered from Baku to Yerevan by a plane of IRCC [ICRC—International Commission of the Red Cross]. 4 more Armenians were conveyed to Russia and 3 - to Georgia (the latter 7 people are the citizens of these republics). Thus, Azerbaijan released 35 Armenians. The leader of the IRCC delegation to Armenia Erwin Boe, summing up the results of the ICRC activities on transportation of prisoners during the Karabakh War, said:

"You know, that a year has passed since a truce was established in Karabakh and we consider the hostilities being already ceased for a year. However, we cannot say how long it will last, but it is fact today. [no quotation mark as received]

We base our activities on Geneva agreements, reading: "As soon as active hostilities cease, all the parties must immediately set all the POWs free." This is the reason why the IRCC applied to all parties to release all the POWs. Our efforts were joined by governments many other countries and those of the OSCE, in other words, this is the result of the international publicity's joint effort.

[NOYAN TAPAN] The Azeri authorities released 35 Armenians, but according to the IRCC's data, there are 35 more Armenians in Azerbaijan. Did anyone mention about them in Baku?

[Boe] The ICRC has been visiting 70 Armenians in Azerbaijan. We hope this was only the first step and the others also will be set free. A week ago, on May 8, the Karabakh authorities released 15 Azeri POWs, and we hope the process will be continued.

[NOYAN TAPAN] How many Azeri POWs and civilians are there in Karabakh according to your data?

[Boe] I can say the number of those visited by the IRCC. I think, there are 115 more people in Karabakh. In other words, Armenia is the only state having released all the POWs we whom we visit, and we hope Karabakh and Azerbaijan will also respond to our appeal and do the same.

[NOYAN TAPAN] What can you say about 2 Russian citizens (inhabitants of Dagestan and Tatarstan)? Have they already been conveyed to Russia?

[Boe] Yes, both of them have been already conveyed to their dwelling places.

[NOYAN TAPAN] Where are the Armenian POWs arrived in Yerevan?

[Boe] They are taken to hospitals for examining their health.

Kurdish Community Will Not Participate in Elections

NC1605161195 Yerevan NOYAN TAPAN in English 1542 GMT 15 May 95

[FBIS Transcribed Text] 15/05/95 NOYAN TAPAN—Kurdish community of Armenia will not participate in the forthcoming parliamentary elections. This was reported by editor of the Kurdish newspaper "Riya Taza", Chairman of the Council of Kurdish intelligentsia Amarike Sardar.

He pointed out that the community's leaders asked the Central Election Commission on Elections to the National Assembly to permit that the Kurdish community elect its deputy to defend the community's interests in the Armenian Parliament. "However, the Commission rejected this request considering that deputies were to be elected in compliance with the law on elections. But we are sure that our candidate will not pass under such conditions", Sardar said.

Zurabyan Urges Caspian Pipeline Through Armenia

NC1605185395 Yerevan NOYAN TAPAN in English 1339 GMT 16 May 95

[FBIS Transcribed Text] 16/05/95 NOYAN TAPAN — "Obviously, construction of the oil pipe line through the territory of Armenia is economically profitable for our country. Such an oil pipe line can become a factor of regional stability," acting Presidential Press Secretary Levon Zurabyan stated at a briefing. "We don't know yet whether it will help or hinder the process of Karabakh conflict's settlement if we relate the matter of the oil pipe line to the Karabakh problem...I think it will only complicate the settlement of the Azeri-Armenian conflict," he said.

That is why, in Zurabyan's opinion, the issue of the oil pipe line should not be connected with the Karabakh problem, moreover that there are possible routes for the oil pipe line avoiding the conflict area.

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According to the Press Secretary, the oil pipe line will become a factor capable of resolving the Karabakh problem. He pointed out that during construction of the oil pipe line, interests of Russia, Iran and other countries should be taken in the account.

Parliament Adopts Amendment To Referendum Law

NC1605203095 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 16 May 95

[FBIS Translated Excerpt] Armenian Supreme Council opened its extraordinary session today in keeping with a decree of the Armenian president.

Supreme Council press service reports that the parliament meeting in the morning under its First Deputy Chairman Ara Sahakyan continued to exchange views on the amendments to the Armenian Republic Law on Referendums.

Following statements by individual deputies and representatives of parliamentary groups, Justice Minister Vahe Stepanyan delivered a concluding statement. After that the parliament adopted the proposed bill, which specifically states that the question put on a referendum will be considered as adopted if more than half of those casting ballots vote for it, provided they total not less than one-third of the citizens on the electoral lists. [passage omitted]

The parliament will continue debating a number of important matters tomorrow.

Round Up of Economic Situation in Armenia

NC1605161295 Yerevan NOYAN TAPAN in English 1657 GMT 15 May 95

["Economic Review (May 7-14)" — NOYAN TAPAN headline]

[FBIS Transcribed Text] 15/05/95 NOYAN TAPAN — NATIONAL CURRENCY: None of two possible extremes happened at the foreign currency market. Dollar rate stopped its growth, but however did not return to its initial positions. The average purchase price of 1 U.S. dollar at the end of the week was 432 drams, the average sale price was 438. This respectively is by 8 and 7 points or by 1.8 percent and 1.6 percent lower than the indicators for the beginning of the week. The Central Bank has managed to stop the wave of speculation, but it will hardly manage to stop the tendency of dram to devaluation. On the other hand, there are hard currency credits, and their distributor is the Central Bank itself. Besides, a part of rehabilitation credit for covering budget deficit and supporting the national currency has been received which is also regulated by the Central Bank.

The dram rate, undoubtedly, has to be supported, but not at any cost. If objective circumstances, like rise of prices for fuel in Russia or pending liberation of prices for bread, tell that there should be devaluation of dram, let it be so. In this case the efforts of Central Bank to support the dram rate are not only an superfluity but also a mistake.

On May 12, Yerevan Stock Exchange held regular sales. 456 thousand dollars and 137 million rubles were sold out. The Central Bank set a rate of 409.2 drams for 1 U.S. dollar and 75 drams for 1,000 Russian rubles.

CONSUMER PRICES: The consumer market is still in a vivacious state. The prices are changing, new products are being offered at the market each day. The price of condensed gas which in anticipation of resumption of the Armenian Nuclear Power Plant fell down to 320 drams for kilo, rose by 100 drams for the week. This was caused both by the doubts that the Plant will start to work soon, and the abrupt decrease of energy supply for the needs of the population. The price for potatoes goes up — a kilo of "young" potatoes costs 700 drams, while old is more than 200 drams. The prices for gasoline, eggs, and meat stopped their rise at a rather high levels of 109 drams for liter, 400 drams for 10 eggs, and 1,000 drams for 1 kilo of beef respectively. The prices for sugar and fat fell to 320 drams for kilo against 400, and 1,300 drams against 1,500 respectively. The prices for fish remain at a rather high level of 280 drams for one fresh sig (the most wide-spread kind of fish in Armenia).

PRIVATIZATION: The week was the last for free subscription to shares of first eight industrial enterprises which are to be transformed into joint stock companies of open type. The situation was changing from hour to hour. The greatest surprise was presented by "Tosp" garments factory — the demand for shares of this enterprise exceeded the supply. The shares of Confectionery and Spaghetti factory have lost their leading positions. At the last moment, on Monday, May 15, a sudden rise in demand for shares of the pump plant took place, the applications exceeded 2.5-fold the initial number of shares. The privatization of the Confectionery and Spaghetti factory was almost doomed to failure, the applications barely exceeded the 25 percent limit set for successful privatization of an enterprise. On the whole, above 69 percent of shares offered was subscribed to. Thus, we can say that the first experience of privatization in Armenia was a success. This is also proved by the fact that the exchange rate of privatization certificate has risen by 120 drams for the week under consideration. Neverthe-

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less, this price is still far from the denomination (2,900 as opposed to 20,000).

EXTERNAL CONNECTIONS: The week featured a new activation of energy crisis in Armenia. The downfall of natural gas supply to 2 and less million cubic meters per day (by unknown, at least for the public, reasons) has coincided with breakdown of largest in Sevan cascade Gyumush Hydro Power Station. The reports about Prime Minister Hrand Bagratyan's visit to Tehran (in two years Armenia will receive from its southern neighbor Iran 1 billion cubic meters of natural gas and 200 megaWatts of electric energy per year) is in some sense optimistic. Armenia's dependency on Northern exporters of fuel will some day end.

Nonetheless, the first trial of optimistic plans will take place soon enough. First of all, already this month, Armenia is supposed to receive condensed natural gas from Iran. Second, it should be reminded that the start of the Armenian Nuclear Power Plant is scheduled for May.

Azerbaijan

Russia Opposes Baku Position on Caspian Sea

NC1605184495 Baku TURAN in English 1315 GMT 16 May 95

[FBIS Transcribed Text] Moscow (May 16) TURAN — "In the issue concerning the Caspian status Russia comes from the fact the Caspian Sea is isolated intercontinental salt lake and its resources belong to all pri-Caspian states. Unilateral non-coordinated activities aimed at utilisation of the resources of the Caspian sea are inadmissible", Russia's Foreign Ministry commented on Russia's position to the Caspian status.

The Caspian status and interaction of the pri-Caspian states has become the key subject to Almaty scientific conference among the representatives of the Foreign Ministries of Russia, Iran, Azerbaijan, Kazakhstan and Turkmenistan. The conference started yesterday in the capital of Kazakhstan.

The President of Russia's Strategically International Research Centre, Vitaliy Naumkin, said in his interview to BBC radio station that Azerbaijan's position to the Caspian is the most strict one and it led to unilateral appropriation of its resources. "The exploitation of the Caspian resources is possible only on the basis of joint possession of its resources by all pri-Caspian states", he mentioned.

Naumkin said that it is necessary to settle the issue concerning the Caspian legal status in the near future. The old treaties between USSR and Iran from 1921 and 1940 satisfy nobody today.

The Chief of the Legal Management in Azerbaijan's Foreign Ministry, Halaf Halafov, said in his interview to the same station that Azerbaijan's and Kazakhstan's positions to the Caspian are the closest ones. "Azerbaijan and Kazakhstan stand for division of the Caspian into sectors and substantiate their position by the norms of the international law", he mentioned.

Halafov said that during the conference Iran and Russia announced that they see the Caspian as the common property of all pri-Caspian states and the Caspian resources must be utilised jointly on the basis of the consensus. "Kazakhstan and Azerbaijan come out for absolute sovereignty of the pri-Caspian countries on their national sectors on the Caspian sea. This position is based on the international marine law and it is supported by the international experts", Halafov stressed.

Deputy Premier on Transport Difficulties With Russia

NC1605191595 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 16 May 95

[FBIS Translated Text] Some work is now being done to reopen the communications routes between Azerbaijan and Russia in accordance with an agreement between their governments. Our correspondent Edalet Aliyev reports:

[Begin recording] [Aliyev] The communication routes to Azerbaijan, which were unilaterally shut last December by the Russian Council of Ministers, started to be partially restored in April.

According Ziyad Mamedov, deputy chairman of the Republic's Railways Administration, 205 freight cars and 1,125 empty cars have been brought to Azerbaijan from Russia since April. In return, 1,089 empty cars were sent to the neighboring country. At present, the trains are moving only along the Dagestan-Azerbaijan railway.

In addition, several times permission was granted to carry the freight bound to Azerbaijan by sea from (?Astrakhan). Some 4,040 tons of metal have been brought to Azerbaijan by this route.

Let us note that during the transportation of merchandise, the Azerbaijani transportation workers are facing serious resistance from the Russian border guards and customs officials.

[First Deputy Prime Minister Abbas Abbasov] We have ascertained this fact. Each vehicle pays 2 million rubles in bribes. Where should a driver obtain such money, from what source should the enterprise engaged in trade obtain this bribe money to secure the release of

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the vehicles on the border or in Dagestan? They also impounded our two ships in Makhachkala. This was done not by the customs officials but by the Russian border troops. All these are unpleasant and unacceptable incidents between the two states. Therefore, during my talks with the leading Russian circles in recent days I referred to this fact and said such things should not be permitted. This problem is now directly under the attention of the Azerbaijani president. Our esteemed president is looking into this matter on a daily basis and is concerned with it. I want to assure that in the near future the Russian Government will sign a directive enabling Azerbaijan to freely obtain its freight from Russia and CIS countries and to export its products and raw materials to Russia and other countries in accordance with agreements signed with them. [end recording]

Speaker, Turkish Ambassador View Karabakh, Elections

NC1605170695 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1250 GMT 16 May 95

[FBIS Translated Text] Chairman of the Supreme Soviet Rasul Guliyev today received Turkey's Ambassador to our Republic, Omur Orhun.

[Begin recording] [Reporter] Chairman of Parliament Rasul Guliyev recalled at the meeting the wise saying of Presidents Suleyman Demirel and Geydar Aliyev that Turkey and Azerbaijan are the two states of a single people. It is necessary to broaden and raise to a new level the ties in all spheres between the two countries, which are united with deep roots.

An exchange of views took place on the political resolution of the Armenian-Azerbaijani conflict during the meeting.

Noting that it is essential to continue the peace talks, Rasul Guliyev highly assessed Turkey's role in OSCE and other international organizations for the solution of this problem.

Omur Orhun was interested in preparations for the parliamentary elections in the Republic. He said that Turkey will provide every possible assistance to Azerbaijan in this regard.

A number of other matters of mutual interest were also discussed at the meeting. [end recording]

Returned POW's Allegedly Tortured by Armenians

NC1605163595 Baku TURAN in English 0237 GMT 16 May 95

[FBIS Transcribed Text] Baku (May 11) TURAN — Fifteen Azeri hostages and war prisoners returned by the Armenians of Nagorno-Karabakh are in very bad state, they are mutilated, one has not leg, the other has not one eye, TURAN was told by the Minister of National Security of Azerbaijan Namik Abbasov. According to Abbasov four of the returned Azeris are oldest people, one of them, 60-aged Liatif Namazov from Kelbajar is dying.

Abbasov noted that during the negotiations they obtained an agreement that at first stage Armenia is to return 155 Azeri hostages and prisoners, 29 of which are kept in Armenia. In response, Azerbaijan will return 35 Armenians — detained on different reasons. "Most of them belong to armed forces of Armenia," Minister noted. According to him, the President of Armenia Ter-Petrosyan stated that he "is ready to return all Azerbaijanis", he meant 29 Azerbaijanis. "But according to the information we have the number of Azeri kept in imprisonment (in Armenia and Karabakh) total 982 people, these figures are the most exact" Abbasov said.

Abbasov said also that Azerbaijan has already stated about its readiness to return all Armenians. But Armenia reduces the real number of the hostages and war prisoners and that makes the exchange of "all for all" more difficult," Minister said.

Georgia

Shevardnadze, Russian General View Air Defenses

LD1605210295 Tbilisi Radio Tbilisi Network in Georgian 1700 GMT 16 May 95

[FBIS Translated Text] Eduard Shevardnadze, Georgian head of state and parliament chairman, received Colonel General Sergey Sapeykin, deputy commander in chief of the Russian air defense troops, in connection with developing cooperation in air defense. In order to assist Georgia in resolving air defense problems, the deputy commander in chief visited Georgia's relevant regions and promised assistance.

Lieutenant General Vardiko Nadibaidze, the Georgian defense minister, attended the meeting.

Russians Blamed For Allowing 'Sabotage'

LD1605204195 Moscow INTERFAX in English 1933 GMT 16 May 95

[FBIS Transcribed Text] SUKHUMI, May 16 (Interfax) - Abkhaz Deputy Interior Minister Vitaly Smyr has blamed the Russian peacekeeping forces stationed in Abkhazia for their failure to take effective steps to disarm Georgian armed formations.

In an interview with Interfax Tuesday [16 May], he noted that Russian peacekeepers "virtually did not

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prevent Georgian sabotage groups from trespassing to Abkhazia."

According to Smyr, about 600 Georgian militants remain in the safety zone on the Georgian side at the moment. "At the same time, the border between Georgia and Abkhazia is virtually uncontrolled by the peacekeeping forces," he added.

Smyr believes that "the peacekeeping forces deliberately impede the activities of the Abkhaz militia."

Abkhazia's Erkvania Criticizes Latest UN Resolution

LD1605151095 Tbilisi IBERIA in Georgian 1330 GMT 16 May 95

[FBIS Translated Text] Tbilisi, 16 May — The [Tbilisi-based] Council of Ministers of the autonomous republic of Abkhazia held a regular meeting at the Georgian Cabinet of Ministers on 16 May. The meeting was addressed by Zurab Erkvania, the chairman of the Council of Ministers. He commented on the latest resolution on Abkhazia adopted by the UN Security Council. Erkvania said that the document had been drawn up unsatisfactorily and did not stipulate the military role of the Russian Federation peacekeeping forces deployed in the Georgian-Abkhaz conflict zone.

"General Vasiliy Yakushev [commander of the Russian peacekeepers in Abkhazia] carries out orders at present. In order to solve the problem it is necessary to trace the person who provides him with the orders," said Erkvania.

Ministers, Azeri Officials Discuss Oil Transit

LD1605163095 Tbilisi CONTACT INFORMATION AGENCY in Russian 1250 GMT 16 May 95

[FBIS Translated Text] Tbilisi [no date as received]—A joint news conference by representatives of Azerbaijan's international oil consortium and the Georgian Cabinet of Ministers was held at the Georgian parliament on 16 May. The news conference discussed the prospects and benefits of transporting Caspian Sea oil through Georgia.

According to consortium representatives, in deciding on a possible route, the consortium would, above all, be guided by commercial interests. The leadership of the consortium would then choose between two proposed transit routes—either the Russian or Georgian one.

It was reported at the news conference that the final decision would be made in New York on 12 June.

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Estonia

Vahi on Russian Relations, State Enterprises

LD1605192395 Tallinn Radio Tallinn Network in Estonian 1700 GMT 16 May 95

[FBIS Translated Text] A news conference which followed today's government sitting dealt with international relations, among other topics. How should relations with Russia develop next, and when might talks be resumed? Our reporter is Mati Kirotar.

[Kirotar] Indeed, positions adopted and opinions voiced by leading Russian politicians about Estonia have been one-sided and tendentious if not hard and false. As an example, let us just refer to the appearance of State Duma Speaker Ivan Rybkin in a program on Ostankino television over the last weekend — incidentally, it was a program for soldiers — where he sharply criticized President Lennart Meri's recent behavior and the positions he had adopted about Russia. Ivan Rybkin then contrasted Lennart Meri with Arnold Meri, a hero of the USSR, who rendered priceless services in liberating the country from fascist occupiers and thus, in Ivan Rybkin's view, would serve as an incomprehensible contrast with the present Estonian president, Lennart Meri [as heard].

But how does government leader Tiit Vahi rate relations with Russia at present and could talks be resumed in the near future?

[Begin recording] [Vahi] Our Foreign Ministry has in fact had contacts with Russia all along in principle, and they exist even now. What counts also as contacts is when both sides observe each other's behavior and the resolutions adopted. I have discussed this issue with the foreign minister, and in principle the soil should be prepared to resolve major issues. I believe that we have to adopt a resolution one day on whether we present the July [1994 Estonian-Russian] agreements for ratification or not. I am indeed perplexed why the previous government, which in essence prepared these agreements, did not present them to the Riigikogu for ratification.

Second, we must seek solutions toward resolving the border issue. Third, we also have to look at the possibilities of both foreign trade and transit with Russia. These would be the three issues on which we would like to hold talks.

One should always see what the political climate is like. We know that there will be elections in Russia in December. We know that during the pre-election period it is sometimes harder to achieve solutions, but sometimes it is also possible to achieve them, and so we are aiming to do our best on these issues and begin talks, which is what the Foreign Ministry is doing.

[Kirotar] But what is one to make of the fact that the Russian president disbanded the commission [as heard] which used to deal with the talks issue with Estonia?

[Vahi] I am on the whole of the opinion that the period when there were very many issues unresolved between Estonia and Russia, about our relations, this period has perhaps come to an end. At the moment it should indeed be up to the foreign ministries to regulate these relations in the future, and such special commissions are perhaps a thing of the past.

[Kirotar] There was an item on the agenda of today's sitting, about enterprises in state ownership. It was the desire of the new government to draw up a register of such enterprises. The register does exist now but is still not precise. Why is that, Prime Minister Tiit Vahi?

[Vahi] It still includes several enterprises which have died, ceased trading, and sometimes there are also those which have been sold but are listed as state-owned enterprises. We have asked for clarification on this matter. Also, for the enterprises in state ownership we would like it recorded in addition to their addresses and telephone numbers, as to what their assets are, who are the other owners, and who is on the board. Why are we carrying out such an inventory of state-owned enterprises? We are doing it so as to obtain a full picture of the extent to which the state is partner in business, in order to charge ministries with urgently adopting resolutions about enterprises under their administration, regarding what needs to be privatized, and which ones have perhaps ceased trading or have even been sold. They should get their documentation in order. And justification is required as to what should stay in state ownership. This kind of inventory of state-owned enterprises has the approval of both the justice chancellor and the state audit office. [end recording]

'Prime Importance' of WEU Meeting Stressed

LD1705101595 Tallinn Radio Tallinn Network in Estonian 0900 GMT 17 May 95

[FBIS Translated Excerpt] Estonian Defense Minister Andrus Oovel said on his return from Lisbon — from a meeting of Western European Union [WEU] foreign and defense ministers — that he saw the meeting as having been of prime importance for Estonia. The WEU is the first organization in whose ranks Estonia is in fact and in real terms able to influence Western European defense (?issues), through its opinions and decisions.

Oovel viewed as an important outcome of the meeting the fact that representatives of 27 attending countries

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attempted for the first time to reach a common understanding about the dangers in Europe and are convinced that European security and defense structures are necessary. It was decided to set up a situation center and a research center at the planning center, whose task it would be to assess the tendencies endangering Europe and acquire a clear overview of the forces with whom negative (?conflicts) should be avoided. At the moment the view is that a concrete mechanism should be created that is prepared to react to any tense situations, Oovel added. According to Oovel, this will not be duplicating NATO; it will be a NATO organization in Europe. [passage omitted]

Defense Minister Oovel had a string of bilateral meetings in Lisbon. He had discussions with Norwegian, Finnish, Lithuanian, British, and German defense ministers and with a number of officials.

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